



# FINANCIAL TIMES

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## WORLD NEWS

### Spanish air strike threat lifted

A threatened 24-hour strike by Spanish air traffic controllers was called off yesterday, averting Bank Holiday misery for holidaymakers planning to travel by air.

The planned action by Barcelona controllers was cancelled after talks between Spain's civil aviation authorities and the controllers' union Aceca.

Meanwhile, the prospect of sunny weather in Britain over the weekend, particularly in the south, caused many traffic jams as travellers made an early start. Weather, Back Page

### Tribut woes SDP

Conservative Party chairman Norman Tebbit appealed to SDP members to join the Tories as SDP leaders moved to prevent a bitter procedural wrangle at its conference tomorrow. Back Page: Alliance pulling together in Three Rivers, Page 4; Man in the News, Page 7

### Gun licences curbed

London police will not issue new licences for semi-automatic weapons until Home Office guidelines are introduced following the Hungerford massacre, Scotland Yard said.

### Mine talks continue

Talks to end South Africa's miners' strike entered their second day as more strikers were sacked and another died in clashes. Back Page

### Self peace hopes rise

Italy and West Germany expressed cautious optimism that Iran will cooperate with United efforts to secure a ceasefire in the Gulf war. Back Page

### Accident care attacked

Thousands of accident victims die needlessly and suffer crippling disabilities in Britain annually for want of prompt, specialist treatment, surgeon Stephen Westaby said at the British Association conference in Belfast. Conference round-up, Page 3

### Film director dies

US film producer John Huston whose films included The Maltese Falcon and The African Queen, died aged 81.

### Press gag tightened

South Africa's Government announced sweeping powers enabling it to restrict press freedom and to censor and close newspapers. Page 3

### Hungerford funerals

Nine victims of the Hungerford massacre, including killer Michael Ryan's mother, Dorothy, were buried or cremated.

### Driving 'blind'

One in 10 motorists have such poor eyesight they should not be on the road, according to a police survey

### Spy book ruling delayed

Appeal court judges in Hong Kong reserved judgment over the British Government's attempt to ban publication of extracts from Peter Wright's book Spycatcher in the Sunday Morning Post newspaper. Page 2

### Bond copyright claim

United International Pictures is to claim for breach of copyright over a Danish election poster depicting socialist opposition leader Anker Jorgensen as national secret agent James Bond.

### Stage demand refused

Italian authorities refused a demand for an escape helicopter by six convicted killers who have been holding 21 prison staff hostage.

### PUBLISHER'S NOTICE

The Financial Times will not be published on Monday, August 31, 1987

## MARKETS

### DOLLAR

New York lunchtime: £1.634  
DM 1.693  
SF 6.150  
Yen 1.562

London: £M 1.8110 (1.8130)  
DM 6.0475 (6.0575)  
SF 1.4925 (1.4930)  
Yen 141.55 (same)

Dollar index 101.1 (same)  
Tokyo close 141.50

### US LUNCHTIME RATES

Fed Funds 6.75%  
3-month Treasury Bills: 6.49%  
Long Bond: 9.7%  
yield: 9.16%

### GOLD

New York: Comex Dec latest  
\$461.75  
London: \$453.75 (454.75)  
Gold price changes yesterday: Back Page

## BUSINESS SUMMARY

### Hawley's US bid accepted

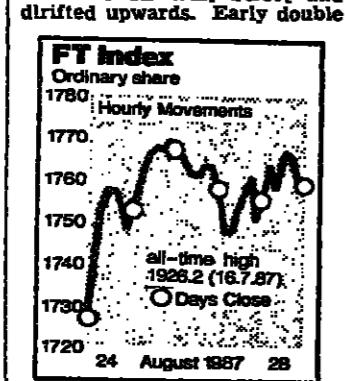
## Rebels in Philippines holding out against government attacks

BY ROGER MATTHEWS IN MANILA AND LIONEL BARBER IN WASHINGTON

**HAWLEY GROUP**, the fast-growing international services company, is to take top place in the US electronic security industry following a \$715m (£470m) agreement to buy ADT, a New Jersey-based supplier and operator of burglar and fire alarm systems.

ADT's recommendation of Hawley's improved \$32 cash bid came 11 days after Hawley launched a surprise offer of \$47 per share. In early New York trading, ADT shares were \$4 higher at \$51. Back Page

**STOCK MARKET** ignored the weakness on Wall Street and drifted upwards. Early double



**REBEL TROOPS** in the Philippines were still holding out late last night against repeated attacks by local government forces trying to regain full control of the army headquarters in Manila.

The army said last pockets of resistance were being mopped up after a day of fighting in which at least 30 were believed to have died and well over 100 wounded. The wounded included the son of President Corazon Aquino and many civilians.

President Aquino vowed not to negotiate with the rebels, thought to number about 800, and ordered the uprising to be crushed. "I have nothing to say to these traitors. They will be defeated and punished," she said.

President Ronald Reagan expressed unqualified support for Mrs Aquino. He said, in a statement issued by the US embassy in Manila and repeated in Washington, that he was profoundly concerned about the attempted coup. "The US condemns this extra-constitutional action."

US officials said the rebellion represented a setback for Mrs Aquino and was disturbing in the light of recent economic progress. One official voiced concern about the impact on US-backed efforts to encourage foreign investment.

Heavy fighting continued for much of the day in and around Manila as government troops were first pushed back from the area of the presidential palace and then driven out of two television stations they had occupied.

Three of the bodyguards of Mr Benigno Aquino, the Presi-

dent's son, died when they were caught in the assault on the palace. Mr Aquino was hit in the neck by a bullet but was said to be out of danger.

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## OVERSEAS NEWS

## Experts divided as minister acts on danger lake

BY JOHN WYLES IN ROME

Thousands, if not millions, of Italians will be holding their breath tomorrow when engineers attempt to achieve the "controlled overflow" of a newly-formed Alpine lake which is threatening to engulf the valley below.

The tightest of all respiratory systems is likely to be that of Mr Remo Gaspari, the minister of Civil Protection, whose hand-moulded hat for the moment protects him from the momentary pressure of a political deluge. But the 25,000 people evacuated from the villages of Valtellina threatened by the lake are unlikely to be much more relaxed.

Mr Gaspari yesterday signed the order approving the attempt to lower the level of the Lago di Pella which was formed when huge landslides blocked the River Adda a month ago. Unfortunately for the minister, he has been confronted by deeply divided technical advice on the dangers of the enterprise and his job could easily be swept away if it goes wrong.

After days of heavy rain the surface of the 750,000 square metre lake is washing within three metres of the top of the wall of mud. The plan is to create a flow over the lip of the lake and into a channel down to the valley by releasing water

from a hydro-electric station higher up the Adda.

The Milanese energy company operating the station was strongly opposed to the plan on Thursday. Its technicians argued that it would be difficult to release just the amount of water which would create an overflow wave without blasting away the lake's muddy banks and creating the equivalent of a damburst.

It was clear yesterday that the company had not changed its view of the dangers, but the manoeuvre became Mr Gaspari's to assume all responsibility for it. He was reluctant to do it the day before, arguing that "I am a politician, the decision depends on the experts."

The question being asked is why the authorities were caught so unprepared by the return of heavy rains. Since the original disaster, which cost around 30 lives, work had concentrated on building a pipeline for pumping the water out of the lake. This would not have been ready until mid-September and all calculations about the likely level of the lake appear to have excluded the possibility of another, severe change in the weather.

## Amato warns Italy of 'severe' budget

BY OUR ROME CORRESPONDENT

MR GIULIANO AMATO, Italy's Treasury Minister, warned yesterday that the new government would follow up Thursday's tax and interest rate increases with a "severe" budget designed to cut the public deficit.

Replies to a hail of criticism of the emergency measures, Mr Amato argued the Government would have had great difficulty framing the 1988 budget proposal if it had failed to act now.

It had chosen measures capable of cutting domestic demand without hitting production, he said, clearing the way for a budget "severe on waste, severe on overspending, severe on those parts of the deficit which do not satisfy investment needs."

Economic ministers will begin examining the budget next week for presentation at the end of the month. The government has said the L3,400bn raised by emergency measures should help cut the public deficit to about L110,000bn — well above the L100,000bn target set last year, but better than the L115,000bn some have predicted.

Close to L1,000bn will come from raising VAT from 18 to 22 per cent on a range of consumer goods, but only to the

end of December. This should improve the deteriorating 1987 balance of payments, because many purchases of imports such as hi-fi, photographic and video equipment are likely to be postponed.

The domestic manufacturer most likely to bear the brunt is Fiat, displaced after eight months' record car sales. The new VAT rate, coupled with increases in petrol and diesel oil, is a double blow to the transport industry, which warned yesterday they would be inflationary as they would be passed on to consumers.

Banks and business in general complained about having to pay their tax instalments in full in November, instead of the normal 90-92 per cent. Mr Luigi Luchini, the president of Confindustria, the main business organisation, challenged Mr Amato's claim that a credit squeeze had been avoided.

He said that raising of the Bank of Italy's discount rate from 11.5 to 12.0 per cent would damage Italian competitiveness by increasing the cost of money.

Only the stock market managed to keep smiling, and produced its third consecutive daily increase in the Milan index, a performance not matched since July.

## Eleven Nato navies in exercise

BY DAVID BUCHAN, DEFENCE CORRESPONDENT

ELEVEN Nato navies start on Monday to practise mine-sweeping and ship-convoys, soon to be exercised in the Gulf by Britain and France along with the US, in the alliance's biggest ever naval manoeuvre in the Atlantic.

However, the Ocean Safari exercise, involving 118 warships and 22 merchant ships, is designed to test Nato capabilities and in bottling up the Soviet northern fleet in the Norwegian Sea, rather than as any prelude to joint operations out of the Nato area on which the alliance has never agreed.

The latest of the Ocean Safari exercises held every two years, is also the first Nato exercise in which Spain will be taking part, having joined the alliance in 1982. Like France, it decided to stay formally out of Nato's integrated military structure.

Admiral Sir Julian Oswald, the Nato commander for the Channel and Eastern Atlantic, yesterday told a press confer-

ence at his headquarters at Northwood, near London, that Spain's participation was of "particular significance."

He hoped that any initial difficulties working with the Spanish fleet of seven ships in the exercise would soon show the same improvement that had been achieved with the French.

France is fielding in the exercise the largest single number of ships, 25. Britain's 22 is the second biggest.

Admiral Oswald said the problems of French and other Nato ships exercising together diminished every year: "We and the French know each other's operational procedures, tactics and equipment pretty well," he said.

The cost of maritime exercises has risen markedly, the Nato commander said, with the daily cost of operating a frigate increasing from £1,400 in the 1980s to £44,000 today.

However, the deterrence value

of a conventional force exercise such as Ocean Safari, which will be thoroughly monitored by Soviet intelligence ships, some of which were already at sea this week, was all the more important with the prospect of medium-range nuclear missiles soon being removed from Europe. Soviet intelligence-gathering ships were unusually adept at avoiding any incidents or collisions with exercising Nato navies, said Admiral Oswald. However, the Ocean Safari scenario, which starts with the sailing of an aircraft carrier group from the US on August 31 and ends on September 15 in the Norwegian Sea, provides for a "dry run" of the exercise on September 4-11. This innovation is aimed at making the exercise more realistic.

One of the most controversial changes in US defence policy has been "forward defence" against the Soviet northern fleet in the Norwegian Sea.

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## S Korean strikers steal body of colleague

By Richard Gourley in Seoul

SOUTH KOREAN strikers yesterday stole a dead striker's body from his distraught family to extract concessions from the government in a political burial.

The shipyard worker was killed by a teargas canister fired by police last weekend.

Strikers argue that it would be difficult to release just the amount

of water which would create an overflow wave without blasting away the lake's muddy

banks and creating the equivalent of a damburst.

It was clear yesterday that the company had not changed its view of the dangers, but the manoeuvre became Mr Gaspari's to try to press for, among other things, the resignation of the interior minister.

The isolated incident has reflected badly on parts of the opposition who appear to have joined the grotesque tug-of-war with the victim's family to try to press for, among other things, the resignation of the interior minister.

Police ambushed workers on the road to Kwangju town yesterday where they planned to bury the body of the Daewoo Shipyard worker alongside some of at least 200 victims of government killings in 1980. After a brief struggle with workers, the police escorted the body to the victim's home town.

The dead man's mother was hospitalized from exhaustion earlier this week after repeatedly dealing with a self-styled "Family Committee" for a quiet burial.

More radical members of

the opposition's National

Council for a Democratic

Constitution earlier visited

the Daewoo Shipyard strike

now in its third week to add

support to the workers cause.

Both the likely opposition candidates for presidential elections later this year, Mr Kim Dae Jung and Mr Kim Young Sam, are members of the NCDC coalition which successfully led the struggle for democratic reforms in June.

Their Reunification Democratic Party denied that any members of the opposition supported radical demands. However, with

increasingly noisy, if not well-organized, student agitation in support of workers demands the opposition appears to be moving closer to making the strikes a political rather than an economic issue.

The government and the opposition recognise workers demands for higher wages and the establishment of a labour union are valid. The government party which now seems committed to the process of bringing the country to democracy is however anxiously trying to prevent student activists and strikers from linking up in an anti-government coalition.

Officials said yesterday they had a list of 1,618 radiacal activities "who will be arrested if they incite labour unrest."

Meanwhile, crowds of anti-government demonstrators clashed with more than 2,000 riot police in Southern Seoul in sporadic clashes late yesterday.

On the outlines Central

## The coup attempt has left Aquino facing a crisis of confidence, writes R. Matthews

### Credibility at stake after Cory's worst week



Government troops outside the TV station.

THIS WEEK Mrs Corazon Aquino has faced the biggest crisis of her 18-month presidency of the Philippines. In quick succession she has been forced to rescind a decision on oil prices which she insisted was irreversible, she has suffered the first large-scale challenge by labour unions to her authority, and with her 25-year-old son lying in hospital with a bullet in his neck she is still struggling to contain a bloody revolt by dissident troops.

With political assassination, Mrs Aquino's political friends are already asserting that she has emerged triumphant from this latest test. Democracy has proved equal to the challenge, they say, and the Filipino people have shown themselves to be determined and resolute in their support of the elected government.

Last night's grisly television coverage of the day's fighting showed crowds of anti-Filipino rebels milling around the dead bodies in the streets and gathering in their hundreds to witness the assault by loyal government troops on the rebel headquarters in Manila. For many of them the day's events gives the impression of having already achieved her greatest victory. With elections over, she would probably like to bring Congress to get on with the task of constitutional reform.

Two rebel officers interviewed yesterday emphasised that they did not want to stage a coup d'état or remove Mrs Aquino. They claimed that they were simply protesting against poor leadership. It might seem an extraordinary claim, but it is the fifth such demonstration during the past six months the pattern of events has acquired a certain familiarity.

Among those officers there is unquestionably deep-seated unhappiness about the issues which affect them most directly, such as pay, equipment and the conciliatory attitude that Mrs Aquino adopted towards the communists. Insurgents of the New People's

Army. While Mrs Aquino extends for another six months a

period of amnesty for those guerrillas who wish to surrender, many soldiers fear that their hands are tied in mounting a more determined response to continuing communist attack.

The highly controversial question of agrarian reform, which is still fundamental to the agricultural nation, is already showing signs of becoming bogged down in Congress. If it fails to emerge as a workable

piece of legislation within six months more support may begin to slip away from the president.

She also needs to show greater political assurance if the country is to sustain the modest economic recovery of the past six months. Additional foreign investment is urgently required and the Philippines has many advantages both industrial and agricultural, for those looking to the longer term. But this week's events can but contribute to the "wait

and see" attitude prevalent among foreign companies.

Today has shown that Mrs Aquino can no longer afford the luxury of allowing politics to dominate and one local industry has suffered a setback. "We must have leadership. Decisions can't be deferred. Commodity prices have been destroyed and without money we will be slower to recover than it was in the last years,"

one basis will have to rest on the relationship between the government and the people. Larger numbers of people have been involved in the present insurrection and it looks at least partially as though it has been co-ordinated and spread to regions like Manila and drawn in the senior officers.

The initial test for Mrs Aquino, assuming that the government will be re-established full power, will be to search out those ultimately responsible. Should Mrs Aquino and her government shrink the responsibility, they will be playing the game into the hands of those who are currently in agreement about the New People's

most modest official

and most popular suggestion that the government is a regular and direct channel of communication between the people and the government in a larger area. With the

rebel in Manila and much of the rural population living close to below the poverty line, recruitment and recruitment opportunities are obvious. They seem likely to derive any benefit from Mrs Aquino's sensible week.

## Contras propose compromise over US aid

By LIONEL BARBER IN WASHINGTON

THE US-backed right-wing Nicaraguan Contra rebels have proposed a compromise on the next batch of US military aid, in order to avoid embarrassing the administration process.

In a meeting with President Reagan in Los Angeles, the rebel leaders asked the President to seek Congressional approval for renewed lethal and non-lethal aid, but to hold the military aid in abeyance to see whether the Nicaraguan government complies with the terms of the peace accord.

The compromise allows the Contras to receive a further round of humanitarian aid after September 30, when the current money runs out. Military aid—also approved in a vote by Congress—would not be authorised for spending according to the proposal (which is similar to one by Senate Republican minority leader, Mr Robert Dole).

The Reagan administration has yet to consider how to tackle the military aid question. Under the outlines Central

American peace agreement signed earlier this month, a regional ceasefire is due to take place by November 7—Washington is keen to avoid blame for any future breakdown in peace talks.

The White House has already agreed with the House Speaker Mr Jim Wright to hold off on a request for aid until November.

Conservatives have accused the Reagan Administration of

a "sell-out" and are lobbying for \$310m of aid until the end of the Reagan presidency. But this has no chance of getting through a Democrat-controlled Congress. Mr Reagan's meeting with the Contra leaders on Thursday was largely symbolic, aimed at defusing criticism that the US had abandoned

The meeting comes as the Sandinista government is moving tentatively to carry out provisions of the Guatemalan City agreement.

## Lonrho makes oil barter deal with Iran

By Max Willcockson, Resources Editor

LONGHO, the trading group, has agreed a \$1bn a year barter deal with Iran for food and other products in exchange for oil.

The deal followed a visit to Tehran earlier this month by Mr Tiny Rowland, head of Lonrho. Details of the deal have not been released, but oil companies believe it has been concluded with a view to supplying Iranian oil to US refineries.

Lonrho, which has expanded its oil trading interests, signed a \$150m joint venture agreement with Atlantic Richfield of the US last October.

Oil industry executives believe Mr Rowland was able to reach a favourable agreement with Iran, because the Iranians have difficulty finding buyers in an oversupplied oil market. US interests have been especially wary because of the instability in the Gulf and deterioration of Iran-Saudi relations.

Plenty of oil is available from other sources, including the United Arab Emirates and Kuwait, which have been producing more than their quota under the last Organisation of Petroleum Exporting Countries' agreement.

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## OVERSEAS NEWS

## UK NEWS

## Economists cast doubt on Brazil's spending cuts

By NO DAWNAY IN RIO DE JANEIRO

EFFORTS by the Brazilian government to cut its public sector deficit were greeted with scepticism yesterday after open dissent from some ministers.

The measures are aimed as much at assuaging domestic critics as at demonstrating to foreign creditors Brazil's commitment to reduced spending targets.

Several economic commentators yesterday argued that the latest plan will serve only to freeze the deficit at current levels. Under the macroeconomic plan, submitted by Luiz Carlos Bresser Pereira, the Finance Minister, in June, Brazil is aiming to restrain expenditure to within 15 per cent of gross domestic product by the end of the year.

Many officials now believe that a 4.5 per cent of GDP deficit is the best that can be achieved. One independent analysis, such as Prof Celso Martone of the University of São Paulo, estimate that Brazil's borrowing requirement will amount to between 5 or 6 per cent.

While this is down on the 7.5 per cent of GDP originally forecast, it will do little to ease the concerns of creditors. The International Monetary Fund is understood to have sought a zero deficit.

Among the measures announced this week were:

- A freeze on loans by state lending institutions to the public sector.
- A ceiling on the earnings of civil servants.
- A ban on rises above inflation for all public officials.
- A 10 per cent tax on earnings from short-term deposits.
- A halt to increases in ministerial budgets.

## South Africa tightens gag on press

By Jim Jones in Johannesburg

THE South African government yesterday gave itself sweeping powers to restrict press freedom and to censor newspapers.

It will be able to close newspapers for up to three months and prohibit uncensored publication of newspapers it finds offensive.

The Government Gazette states that the restrictions are designed to prevent publication of reports which promote or fan revolution and which promote the breakdown of public order; stir up feelings of hostility; or, to those, government officials to the government's security forces or to anyone else; promote the public image of unlawful organisations; promote alternative government structures; or promote or spark boycotts or strikes.

The minister responsible for the media is the sole judge of what contravenes these reporting bans and the laws make no provision for court appeals against ministerial decisions.

Mr Stofel Botha, the Minister of Communications and Home Affairs, said he has what he describes as "the organised conventional media" will comply with the restrictions and that the measures will only involve the "unconventional, revolutionary, and supportive Press."

## UN TALKS ON ARMS AND THE POOR

## Gorbachev initiative grabs the headlines

THE three-week conference at the United Nations on disarmament and economic development has given the Soviet Union another opportunity to seize the world political stage, thanks in part to the US decision to boycott the event.

In a message to delegates, Mr Mikhail Gorbachev, the Soviet leader, produced a headline-catching proposal for a top-level meeting of Security Council members to consider the twin problems. The US insists the problems are unrelated and therefore undeserving of such attention.

Other surprises may come from the Soviet side before the session concludes on September 11 with the adoption of a final document that is expected to contain data about the plight of the world's poor and a proposal that rich nations help them with the proceeds of defence cuts.

In his address, Mr Isidoro Malmerca, the Cuban Foreign Minister, spoke of the squandering of more than a day for military purposes while 100,000 people died of curable diseases and more than 40m starved. "At present in the world as a whole, there is a ratio of one doctor for every 4,000 inhabitants," he said. "However, there is a soldier for every 250 inhabitants."

## Spirits sales down more than 20m bottles in first quarter

By Christopher Parkes, Consumer Industries Editor

SPIRIT SALES fell by more than 20m bottles in the first quarter of this year, further compounding the mystery of the record decline in the Scotch whisky trade reported this week.

The Wine and Spirits Association yesterday reported falls of up to 20 per cent in the quantities of rum, brandy, vodka and other imported spirits released from bond in the first three months.

"Technical factors" were the best explanation the association could find for this "most inauspicious start to the year."

The Scotch Whisky Association said it would ask Customs and Excise to check figures that showed a 25 per cent drop in UK Scotch sales.

Overall industry sales figures originate in the Customs and Excise Spirits Bulletin, which logs the volume of alcohol on which distillers and importers pay duty as they take spirits out of bond for bottling and sale.

One explanation put forward for the apparent fall in sales is that the industry guessed or was told that there would be no tax increases on alcohol in the Budget on March 17.

It usually takes large volumes out of bond before the Chancellor's speech to reduce its tax bills.

However, withdrawals of Scotch from bond in February were only marginally down on clearances during the same month in 1986. Budget day last year was March 18.

Most of the fall in Scotch came in March, when duty was paid on 52,000 hectolitres of whisky, alcohol, compared with 51,000 hl a year earlier.

April clearances were 13,000 hl, compared with 17,500 hl a year earlier. Mr

Figures published yesterday by the association showed that sales of British gin and vodka fell more than 12 per cent during the first quarter. Among imports, rum sales were down 18 per cent, brandy other than cognac fell 20 per cent, other spirits dropped 18 per cent, while cognac fared best with a drop of only 7.6 per cent.

Chad denied the Libyan claim and said its troops were holding the town of Aouzou.

Official Chad radio said earlier Aouzou, the northern town of Ounianga Kebir, and several border towns had been bombed repeatedly.

Chad claimed yesterday its troops had retaken the Aouzou Strip in northern Chad — seized by Libyan forces on August 8 — after a two hour battle.

Chad denied the Libyan claim and said its troops were holding the town of Aouzou.

Although the Strip has yet to be surveyed, Libya is convinced it has uranium and other drop metals.

Mr Kenneth Kaunda, the Zambian President and chairman of the Organisation of African Unity, return home to Lusaka yesterday from talks in Tripoli with Mr Muammar Gaddafi, the Libyan leader, the last stop on a mission to head off fighting between Chad and Libya.

THE FARMER can control a field in a football pitch with about 20 gms of herbicide, about equivalent to 10 sugar-lumps, Dr David Evans, research director of Schering Agrochemicals, told the chemistry section. He said the British farmer today had effective crop-protection chemicals for almost all situations.

Crop-protection chemicals were \$160m (59.8bn) market worldwide of which herbicides, insecticides and fungicides accounted for 83 per cent.

"Unfortunately, the suddenness with which Japan's awe-inspiring picture was unveiled had blinded the computing world from carefully reading the message," he said.

He believed the omission of the inductive learning tools called for by Japan's initial timetable now threatened their entire objective. However, for Britain, planning documents that were unlikely now to find

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## UK NEWS

## Minister urges curb on state role in housing

BY PETER RIDDELL, POLITICAL EDITOR

LOCAL authorities should cease being large-scale landlords and should not be involved in most new house building, Mr William Waldegrave, the Housing Minister, said yesterday.

In a long-term wide-ranging speech since taking over responsibility for housing after the June election, he urged changes in attitudes towards the state's housing activities.

He said there should be a "clearer and more restricted role for the state in housing" and that it was "not a good idea for local authorities to be landlords towards the provision of targeted subsidy and help for those in need to buy what they need."

In particular, Mr Waldegrave told his audience in Bristol that he could see no arguments for generalised new build by councils, now or in the future. He said: "Receipts [from sales of houses] should not be used for new build and sales as if councils were a sort of property company. They can and should be used for repair of existing stock."

He said: "The next great push after the right to buy should be to get rid of the state as a big landlord and bring housing stock back to the community. If, for example, flats are more likely to continue to be rented, then the landlords should be the sort of social housing organisations seen overseas."

Mr Waldegrave foresaw a

much enhanced role for housing associations if they could keep control close to tenants and would target subsidy where needed, and *using it in private*.

As a long-term possibility he suggested altering the system of support so that "housing associations might be the conduit of subsidy, which is aimed at keeping social housing rents more or less even across the nation so that housing cash benefits do not have to vary much."

He said that although he favoured market solutions, if the aim was to provide local communities with mixed housing, that might be achieved by different levels of subsidy to housing associations in high and low-cost areas, rather than by giving people different levels of housing benefit in different regions, while rents are allowed to go where they will."

He reassured the concern that the derivation of new letting rents might be a housing benefit cost, but he said that ways could be invented to stop absurdly generous housing benefits. "The somewhat increased cost will be well worth it for a better maintained private rented stock."

"We will see those dreadful statistics about the state of the present private rented sector, in which many housing benefit recipients live, begin to improve."

## Motor insurance rules to be changed

BY NICK BUNKER

MOTOR INSURANCE policies will have to cover third party liability for damage to property as well as people and other vehicles as a result of a regulation due to go before Parliament this autumn.

The regulation will put into effect a European Community directive issued in 1984. Mr Peter Bottomley, Minister for Roads and Traffic, said yesterday.

The move, which followed three years of talks between Whitehall officials, insurance companies and motor underwriters at Lloyd's of London, is expected to lead indirectly to a slight increase in motor claims costs borne by insurers.

A typical situation involved would be where a motorist drove into the wall of a house. Mr Bottomley said the regulation to be made under the Road Traffic Act would make £250,000 of liability insurance against property damage compulsory from January 1, 1989. Almost all motor policies

already included such cover. The regulation would, however, also oblige motorists to give insurance details to people whose property they had damaged.

Mr Michael McNeil, an insurance analyst with Warburg Securities, the stockbroking firm, said that perhaps only 5 per cent to 10 per cent of the industry's motor claims costs arose from property damage incidents.

The regulation may have an effect on the Motor Insurers' Bureau, the body funded by members of the industry to settle claims arising from accidents caused by uninsured drivers. Mr McNeil said if the MIB had to pay claims for property damage, the premium levy would rise from insurers might have to go up.

David Fishlock meets a man with a mission to explain modern technology to the non-scientist

## The Science Museum plots an industrial revelation

THE ICE-CREAM vans had left Exhibition Road when Dr Neil Cossens, the Science Museum's director, emerged into the dusk through the detritus of another busy holiday.

He mused on the problems of running a museum that in London is second only in popularity to the British Museum, yet is so clearly identified with a day out for the kids.

His difficulty is how to lose the litter without losing children who love his 600-odd working exhibits and dozens of do-it-yourself experiments, and at the same time reach for a more sophisticated clientele having a deeper appreciation of a collection that he claims has no peer.

"We have got the finest collection by far of any museum of science and technology in the world," he boasts. "It reflects the century from about 1815 when Britain indisputably led the world in technical innovation."

For Dr Cossens, it is also the largest institution in Britain trying to explain technology to the main in the street, at a time when the gap is widening alarmingly between public and technical expert. "But the poor old Science Museum is wearing out faster than we can renew it," he laments.

Some of its galleries and exhibits were put up before the Second World War. Even those rebuilt in the 1960s are inevitably out of date for a museum where the collections concentrate on explaining the past 25 years.

The challenge confronting Dr Cossens each working day is how to reverse the decline and finance an ambitious programme of renewal that will produce an entirely new museum by the end of the century, without inhibiting visitors meanwhile.

Tactically, he must also try to win over those of his curators, fortunately few, he says, who cannot come to terms with

limits on government spending and see change as something to be feared and opposed.

He is spending next week at Ironbridge, Shropshire, with the most senior of his 100 curators, hoping to forge a corporate plan to submit to his trustees this autumn. Its primary aim will be to renew 8-10 per cent of the Science Museum annually, at a cost he puts at around £2m a year at present prices.

A big part of the challenge is how to fund such a plan when his government grant is pegged at less than £12m and mostly absorbed in salaries for his 600 staff.

The Science Museum in London, unlike neighbouring museums, levies no charge yet on its 3m visitors, although its provincial collections at Bradford and York do make an admission charge.

Professional marketing, to start this autumn, is one approach. Selling ice cream itself would merely bring more litter from Exhibition Road inside the museum. But there are existing public services on which he admits he is making a loss.

Dr Cossens's main hope, however, is that he can persuade government, by way of the corporate plan, that the Science Museum has a place in the Government's own efforts to align publicly funded science and technology more closely with national economic ambitions.

He wants his corporate plan

## Goodison acts over account-day workload

By Clive Webman

SIR NICHOLAS Goodison, Stock Exchange chairman, wrote yesterday to institutional investors proposing a measure to ease the workload of securities firms on the weekends before account day.

He said that a rule, backed

by the Bank of England, was to be introduced requiring the institutions to deliver a day earlier the shares they have sold in case they wanted to be paid on account day, which occurs usually on the second Monday.

Already some of the largest securities firms have imposed that requirement on their clients.

The late rush of deliveries

on the Fridays before account day has created delays in the settlement process that makes weekend working essential.

Earlier this month, the Stock Exchange, yesterday, set a deadline for settling all bargains of more than £100,000 that have been outstanding for more than two account periods (four weeks).

The Alliances has taken control by building on traditional

Securities firms have now

disengaged many of the old

outstanding bargains assisted

by a fall-in the volume

of trading over the past three

months. Mr Peter Bunn, head of settlements at Phillips

and Drew, one of the largest

firms dealing with institutions, said his number of long-

outstanding bargains worth

more than £100,000 had been

reduced by two-thirds.

Alexander Laing and

Cruckshank, a firm with one

of the largest private client

bases, has reduced its backlog by 30 per cent over the past four weeks.

Nevertheless, the settlement managers in nearly all firms had not yet received definitive replies to the letters they have received from the Stock Exchange requiring them to give explanations for any outstanding bargains unsettled by the deadline.

The 20-strong Stock Exchange task force is

expected to have difficulty next week in deciding which firms have reasonable excuses and which should be fined or even restricted in their trading.

The tariff of fine for

outstanding bargains has not

yet been finally agreed, nor

have the criteria been estab-

lished for what might count as a reasonable excuse.

In his letter to institutions,

Sir Nicholas said some firms

were having to pay institu-

tions for stock that was being

delivered at the last minute

even though they were not

receiving the money them-

selves because they had

failed to meet the deadline

in processing the bargain.

As a result, those firms

were having to borrow large

amounts of money.

Mr Ian McNeil, an insurance

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## UK NEWS-LABOUR

## SDP to discuss policy switch on labour relations

By PHILIP BASSETT, LABOUR EDITOR

THE Social Democratic Party should drop some of the party's proposals for industrial relations reform, according to a policy discussion paper to be distributed to delegates to the party's conference, which opens tomorrow.

The suggestion, if adopted, would mark a considerable change of heart by the party on some aspects of labour relations. It is accompanied by new ideas on voter elections, appeals and employee involvement.

The paper, prepared by Mr John Grant, chairman of the SDP's trade unionists' association, will form the centrepiece for an industrial relations debate due on Tuesday at the conference in Bournemouth.

It says that some of the SDP's earlier suggestions on the issue are now "of doubtful value" or are likely to prove impractical.

The paper proposes that policies to be reconsidered and possibly dropped should include the idea of the general use in law of compulsory arbitration, the introduction of legally enforceable procedure agreements and employment contracts, and a trade-union development fund.

As well as an analysis of industrial relations conflicts, especially those facing the trade unions, the SDP's paper puts forward three new proposals for reform:

• The idea of a state-funded National Election Office, to supervise union and public

## Journalists at Wapping study link with Today

JOURNALISTS on newspaper titles published by Mr Rupert Murdoch's News International group are to consider establishing a single federated chapel (office branch) of the National Union of Journalists so as to gain a form of union recognition for members at Today.

The proposal has been put to Today journalists by other News International chapels after the newspaper's announcement that it was ending all union recognition and started a potential confrontation over the issue yesterday.

• An all-embracing code of conduct on information disclosure to give employees proper consultation rights, plus a far greater emphasis on employee involvement and communication.

The paper notes that "the trade unions have scant interest" in formal industrial democracy of the kind currently favoured by the SDP.

Mr Grant's paper endorses the idea from the Inland Revenue Staffs Federation to be debated at the TUC Congress of a widely-based "think tank" for trade unions.

In general it welcomes the review of structure and purpose the Congress will undertake.

It gives a warning, though, that "false hopes of self-reform" have been raised before.

The paper says: "There is a danger that the current fervour for review, with the TUC at last in the vanguard, will see a preoccupation with consolidating and rebuilding union organisation as an end in itself."

## Office salaries up 11.5%

By JOHN GAPPER

OFFICE STAFF salaries rose by an average of 11.5 per cent to March 1 this year, compared with a rise in average earnings over the whole economy of 6.7 per cent, according to the Institute of Administrative Management's annual office trend report.

The report said the rise may have been to counterbalance a lower level of increase last year than the norm of between 5 per cent and 7 per cent. Differen-

tials between pay for various grades of office work were being maintained.

The report, based on salaries being paid to a sample of 10,822 office staff in 124 organisations, found significant differences in working conditions between offices in and outside London.

London office workers were found to have a shorter working week, with 62 per cent working less than 36 hours a week, compared with the national average of 45 per cent.

It added that the staff were found to have a shorter working week, with 62 per cent working less than 36 hours a week, compared with the national average of 45 per cent.

Mr Bernard Clifford, personnel manager, said that the initial reaction of many staff to the contract had been "favourable" and "quite a number" had already signed.

He said company policy was not being reconsidered, adding: "We are not going to cause the staff hardship or make them work all the hours that God sends."

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## FINANCIAL TIMES

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Saturday August 29 1987

## A torrent of new issues

DURING THE final week of a decidedly miserable August for UK equities the market has recovered at least some of its poise. The All-Share index has gained some 7% per cent of its mid-July peak. If it had not been concentrated so violently in one or two panicky days, that is the sort of setback that could have been easily welcomed as a necessary correction for an overheated market. Indeed, it could still turn out as that kind of orderly adjustment.

But the scale of the demand now building up for funds is bound to bring in some serious pressures as summer turns into autumn. In particular, the purchase of American assets by British companies continues apace, the spree being largely financed by British institutional shareholders. If the British investor is simply nervous that London equity prices have got too high, quite a few British funds are creating a relatively certain that London is overvalued compared to Wall Street, and they are fully prepared to arrange the arbitrage operations.

So the WPP rights issue has already been left with the underwriters, and there is a clear danger that the mooted £37m Blue Arrow cash call will go the same way. Investors are the same losses on the phone as the WPP. Other issues not connected with American acquisitions have also turned sour, such as the £200m Trafalgar House placing, while underwriters of FKI's £50m rights issue are getting nervous.

The British Government is playing an important part, too. It seems more than a little clumsy that £600m-plus calls on two privatisation issues, TSB and Rolls-Royce, should both be within the first few weeks. Then there is the big one, the sell-off of the remaining Government stake in BP, together with a BP rights issue, in October. That could account for another £2.5bn, in terms of the first instalment on a combined issue which will add up to more like £7.5bn in total.

## Equity issues

It is true that the burden of this Government funding could be spread. To the extent that the Treasury gains money from equity sales it does not need to issue gilt-edged, which balances out the overall impact on investment institutions. And a sizeable chunk of the BP money will be raised abroad.

All the same, the aggregate amount of capital to be raised this year through equity issues in London seems set to assume remarkable proportions. Broker Hoare Govett has estimated that the 1987 total is likely to exceed £20bn, with perhaps £8bn still to be collected within the next four months. For comparison, the institutions have around £36bn of annual cash



Alice Rawsthorn looks at a newly volatile sector of the fashion industry

**BORN IN THE USA/BRUCE SPRINGSTEEN**



## Remaking the jean machine

The jeans manufacturers which had expanded so enthusiastically in the 1960s and 1970s turned their attention to Europe. In the next decades sales of jeans soared all over the world, with the manufacturers nurturing new markets in Japan and South America.

Then disaster struck. To the teenagers of the early 1980s jeans were associated with the middle-age spread of their parents, not with rebellious adolescence. The market collapsed. In the US the industry could at least rely on the bulwark of workwear sales; but the number of jeans sold fell from an estimated 500m in 1981 to 450m in 1985. In Europe the decline was more dramatic: from 250m to 150m.

The Hungerford massacre has made TV violence a hot issue. Christopher Dunkley reports

## Look out for the optical illusion

**B**RITISH BROADCASTERS, with the help of the tabloid press, have given the impression during the past week that at last, after the Hungerford tragedy, television is going to revise its output radically. Controversial series will be banned, violent films will be dropped, and the clean-up demanded by some for so long will at last take place.

In fact there have been very few concrete measures. Indeed

Television postponed its

repeat of the Hollywood film

Lydia Smith and an ITV

spokeswoman promised that "the

fullest care" was being taken

with any programmes which

might be seen as offensive or

emotionally distressing.

The BBC said that it would

not be screening a repeat of

Rambo which it first showed

last September. It also

decided to postpone a New Zea-

land film called "Battleground,

about a gang of marauders in

the future, and two of its

own productions from the

coming autumn season: "The

Markman" and "Body Contact".

Next week's Radio Times

cover (since withdrawn) was

to have been devoted to the

thriller serial "The Markman",

which is back with a vengeance.

His methods: tough, but

reverent, the BBC experts described the story as

"quest for retribution".

The TV-film "Body Contact" is

also set in the future. This

is a London ruled by

gangsters. The same sales

leaflet says "On the edge of

the ghetto the mysterious and

beautiful, domineering Dominique

Renoir, is imprisoned by Tony

Zulu, the most powerful and

violent of gangsters and her

ex-lover. "Body Contact" is the

story of her escape from im-

prisonment and the hostile

city and her quest for revenge.

Perhaps this will make future

dealmakers more cautious. If

not, there will have to be

another serious shakeout before

demand and supply are brought

back into balance.

other mass circulation news-

papers behaved similarly.

When accepting that there

could be no significance in

both the benign and the cynical

interpretations, shrewd on-

lookers might conclude that the

most important consideration

is that it is only a few months

since the investment institu-

tions were making a big fuss

about their rights to subscribe

to the new issues for all the

smallest deals.

**R**estraining influences

When London was largely a

closed market, and capital

raising exercises were confined

to flotation or occasional large

rights issues, the Bank of

England had a relatively simple

task. The market's behaviour

was relatively simple. Now

the market's behaviour is

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## Man in the News

Robert MacLennan



IS BRITAIN trembling on the brink of a major tennis breakthrough, or will it be *deja vu* all over again? Will this week's appointment of the Australian, Warren Jacques, as director of the Lawn Tennis Association's international men's squad help British tennis regain its self-esteem? Above all, can we look forward to a British men's champion at Wimbledon?

To cast a little light where only gloom has prevailed, it is worth taking a look over our shoulders to the godfathers of Australian tennis: to the feats of Harry Hopman, surely the greatest motivator of tennis players who ever lived.

I first met Jacques in 1952 at a small suburban club in Sydney's Bondi district: a gaunt 16-year-old who, with the other bright Australian juniors, was practising for the first major tournament of the Australian season in Brisbane.

Now 33 years later, Jacques is in charge of the cream of British men's tennis — single cream, I'm afraid, ever since the rich days of Roger Taylor and Mark Cox ended in the late 1970s. Jacques still has a twinkle in his eye, but a vision burns in there, too: "I believe I can help Britain re-establish itself as a world power in the game," he says. "Getting this job is like a dream come true — but it is also a tremendous challenge, I'm conscious of that."

Appointed by the LTA to a five-year term, Jacques is not expecting miracles. No one really believes that he can take Stephen Shaw, Jeremy Bates and Andrew Castle (who are currently at 134, 143 and 163 respectively in the world rank-

ings) to the final of Wimbledon which is what Kevin Curren did while Jacques was advising him. Nor do many agree with the likeable Australian that all three Britons have the potential to reach the world's top 50 — a prediction he may live to regret.

However, Bates certainly does seem a more confident player as the result of a short recent association with his new boss. Already his work rate has increased dramatically and the extra stress has helped his morale. The same is true of Shaw, who has been working informally with John Lloyd this year. Castle, however, is a stubborn man who only now is realising that perhaps he does need a coach after all. "I can't get him back on track," Jacques says.

What we are talking about is motivation. Behind every great player is someone who recognises hidden talent and directs it towards attainable goals. With Borg it was Bergelin, with Nasase and Vilas it was Tiriac (and Tiriac again). With a whole generation of Australians from Sedgman to Newcombe (14 Grand Slam titles between 1949 and 1975), an astonishing achievement, it was the late Harry Hopman.

Jacques was part of the Hopman era, always overshadowed by the great champions but ranked in the Top Ten in Australia for six years. He saw the collapse of Australian tennis following the departure of Hopman to the US in 1970. "Hop was unique. When most of the leading fellows also went to live in the States, the young

generation had no great champions to look up to and to practise against like we had."

With Pat Cash, the newest Wimbledon singles champion, Australia does at last seem to have found a man who might excite and inspire the next generation — provided, of course, that he goes on living in Melbourne, where he was born 22 years ago. It is this emulation factor that is the most powerful ingredient in the complex amalgam of elements that produces rising national standards.

As Jacques remembers: "When you saw over Sydney at night in the '50s the city lights were mostly the floodlights of tennis courts in clubs and private homes. Now the land is too valuable for that. Everyone played tennis then."

"We had terrific competition to make the grade, too. When I was ranked 8th in Australia, six of the guys ahead of me had won Wimbledon, and Fred (Stolle) had been in two final tournaments."

With Hopman behind the scenes, driving his charges to new peaks of fitness and endurance, and only enough money in the game for the handful of players at the top to make a decent living, it was inevitable that great players would emerge from the national squad. It was the only route to advancement.

You can discern in Sweden where Borg's spectacular successes have spawned a new

not speak for them on this issue and they may move a vote of no confidence.

It is not exactly an easy start, as Mr MacLennan readily admits, but then he only became leader because of these unusual circumstances.

Nothing in Mr MacLennan's 21 years in Parliament has marked him out as potential leader. He has been a worthy and reserved stalwart, as reflected in the unusually long period he served without promotion as junior prices and consumer affairs minister from 1974 to 1979. He can be an awkward, somewhat prima, speaker and could face a rough ride in the Commons from more irreverent neighbours like Labour's Mr Dennis Skinner.

He is an unusual figure. An Oxford and US educated international lawyer, he represents the massive Highland seat of Caithness and Sutherland, and has no trouble locally in switching from Labour to the SDP in

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He faces a divided, and probably irreconcilably split, SDP. A vocal minority around Dr David Owen favour a continued independent social democrat group and reject the result of this month's ballot in favour of merger negotiations. Three of the party's five MPs have already said Mr MacLennan does

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## UK COMPANY NEWS

## Pleasurama taking over President in £63m deal

BY CLAY HARRIS

Pleasurama, the hotels and leisure group, is to pay at least £63m for President Entertainment, the fast-growing restaurant operator. The recommended offer, announced yesterday, will reduce Pleasurama's dependence on the profit of the roulette wheel and take it into pasta bars and theme restaurants.

Although Mr Robert Earl, President's chairman, will take charge of the group's overseas expansion from his company's beachhead in Orlando, Florida, his management team has overall responsibility for marketing Pleasurama's existing activities, which include casinos, theme parks, provincial hotels, discoteques and coach tour operators.

It will aim especially to fill the group's UK facilities to capacity, to bring closer the day when Pleasurama can turn itself to British first London hotel. Mr Nat Solomon, chairman, said yesterday that "obscene" was not too strong a word to describe current asking prices.

## French group buying CPU

BY PHILIP COGGAN

Seas, French trading company, has bought a majority stake in CPU Computer, the USM quoted computer peripherals distributor.

The French company is making a cash offer of 92p per share for the whole of CPU's equity, valuing the group at £15m. It has received irrevocable acceptances from Mr David Johns and Mr Tom Fitzpatrick, joint chairman and managing directors, who own 5.9 per cent.

But Seas wants to retain the USM quote and hopes that few investors will accept the offer which, after the shares rose to 98p yesterday, is below the

Mr Earl will aim to repeat the success of the five Florida restaurants (including King Henry's Feast, Mardi Gras and Liberty) near Disney World, with restaurants in similar US tourist areas—initially Las Vegas, Hawaii and Anaheim, California, home of the original Disneyland.

Development on theme park fringes is also likely to be repeated when Disney finally opens the ground in France. Mr Earl yesterday was already in touch with a number of landowners to one of Pleasurama's theme parks in Spain.

Pleasurama's need to diversify was underlined on Monday when it reported a 15 per cent fall in interim pre-tax profits to £16.3m, largely as a result of a decline to £2.4m in profits from casinos. Casinos should account for only one-quarter to one-third of group profits within three years, Mr Solomon said.

In the same six months, President increased pre-tax profits by 70 per cent to £10.2m on turnover of £7m. From one

market price. Any shares acquired other than the stakes of Mr Johns and Mr Fitzpatrick are likely to be placed by Standard Chartered.

CPU joined the USM in 1983, priced at 130p per share, when computer stocks were fashionable.

A dispute with a key US customer and the slower-than-expected progress of its Octopus computer led to a sharp fall in losses of £247,000 in 1984-85.

Cost cutting, a strong performance from the West German subsidiary and the sale of the computer and manufacturing business led to a return to profits in 1985-86.

CPU estimates that its pre-

tax profits for the six months to June 30 were not less than £700,000, compared with £328,000.

Scus intends selling its French and Spanish computer peripherals distribution subsidiaries to CPU for a total of £5m. Mr Johns and Mr Fitzpatrick have agreed to stay and manage the enlarged peripherals distribution group.

Last year the Paris Bourse, Seas also, has interests in the trading and distribution of vehicles, foodstuffs, textiles, pharmaceuticals and consumer goods. It made pre-tax profits of £24.2m (£2.5m) on turnover of £106m (£1m) last year.

## TKM loses Molins bid after 30% acceptances

By Terry Fovey

Tower Hamlets & Mill-bourn, the Brierley group's quoted UK subsidiary, has lost its £25m bid for Molins, the precision engineering group.

When the TKM offer closed yesterday acceptances plus purchases totalled less than 30 per cent. After the bid TKM will be left with 29.3 per cent of Molins.

Analysts believed that the bid had little chance of success once M&G, one of the UK's leading investment managers, began adding to its stake at prices over the 300p cash level. Subsequently Marubeni and Japan Tobacco, both supporters of Molins, announced shares at between 305p and 310p.

In the wake of the failure of the bid, TKM's board has been strengthened by the addition to it of Mr Bill Loewenthal as a non-executive director and the appointment of Mr Peter Cane, formerly group financial controller, as finance director. Mr Loewenthal has been a close business associate of Mr Ron Brierley for many years.

Commenting yesterday Mr Brierley, TKM's chairman, said: "we are naturally disappointed that the offer of what we consider to be a full price has attracted no support and are a little surprised that shareholders now consider Molins to be worth more than the bid. We believe the TKM bid stands up to this value being justified by the company's future results."

## Seacor acquires Milford Docks

MILFORD Docks Company, the Welsh harbour and hotel operator, yesterday got a new owner after decades of boardroom battles and abortive rescue bids.

Seacor Holdings declared unconditional its all-paper £1.2m offer for an estimated 552,000 in, in spite of failing to reach 90 per cent acceptances.

It ended with more than 70 per cent in addition to the 18.75 per cent owned by Seacor, a private shipping and cargo handling group based in the Isle of Dogs. Shareholders of the latter will control more than 93 per cent of the new company.

Seacor cannot force the minority to leave its shareholders. Milford was established under a parliamentary charter. But if Milford loses its listing, as expected, there is likely to be no market for the shares. Seacor itself will apply for a Third Market listing early next month.

## Ratners and Glentree cash calls go against the trend

BY CLAY HARRIS

Ratners Group, Britain's largest jewellery retailer, yesterday convincingly bucked the recent trend of poor receptions for rights issues by announcing 31.7 per cent acceptances for its £122m offer.

Glentree, the north London estate agent, meanwhile, won a 30.38 per cent acceptance rate for its £7.8m rights issue, but developer Chesterfield Properties found its £30m convertible preference offer caught by the recent rise in UK interest rates.

Shareholders' take-up of Ratners' latest three-for-one issue actually exceeded the 90.7 per cent acceptances for an £82m cash issue, but Glentree's rights issue is intended to fund

Ratners' £126m takeover of Sterling, the US jewellery stores group.

The outcome was described as an exception, vote of confidence by Mr Geoffrey Coggan, finance director. "This acceptance level is marvellous, particularly in the context of recent volatile market conditions," he said.

Sharp falls in the London market earlier this month added to existing pressure because of companies' heavy calls for equity funding, in some cases because of ambitious acquisitions. A one percentage point rise in interest rates reduced the attraction of preference issues which had already been launched.

## Kennedy buys London hotel

BY NIKU TAIT

Kennedy Brookes, the leisure and restaurant group, is paying £19.5m cash for a four-star, 174-bedroom hotel in central London, its first hotel interest in the capital.

The property is the Onslow Court Hotel, at Queen's Gate, Knightsbridge. It has recently undergone a major renovation programme and Kennedy said that it expected any further outlay to be minimal. The

seller is a privately-owned company called Renport.

Kennedy has made several major additions to its hotel portfolio recently, with its City Airport hotel in May.

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## Macdonald Martin midway fall

A COMBINATION of factors hit Macdonald Martin Distilleries in the first half of 1987 and led to a drop in turnover and profit interim dividends, however, are maintained.

Turnover fell from £24.6m to £27.7m and pre-tax profit from £592,000 to £547,000. This reflected the adverse currency exchange movement in the company's North American markets an unfavourable sales mix and comparative effects of

exceptional shipments of Glenmorangie, its principal brand of single malt whisky, during the first quarter of 1986.

At the last annual meeting the directors pointed out that the start of the current year showed a more modest trading position and did not reflect the exceptional shipments.

Despite the undoubtedly effects of the full year, they said in their interim report that they were experiencing a better experience in the second half. There

was a more favourable sales mix and they were looking for continued advancement of Glenmorangie in all sectors.

Operating costs in the half-year came to £17.1m (£7.16m) and interim dividends were reduced by 5.57m (£135,000). Tax reduced by 5.57m (£135,000).

Earnings fell sharply to 10.74p (24.7p) on the A shares and to 5.37p (12.35p) on the B. Respectively, the interim dividends are again 4p and 2p net.

## North Sea &amp; General expansion

BY STEVEN BUTLER

North Sea & General Oil Investments, a resource company, is making an all-share offer for 60.67 per cent of Australian-based Indian Ocean Resources that it does not already own. The offer values Indian Ocean at £32.2m.

Indian Ocean would take one step further the transformation of North Sea & General from a North Sea oil and gas exploration and production company to

an Australian resources group. Indian Ocean is involved in gold production and exploration in West Australia. Its shares are listed in Australia, with an operating profit of £42.18m in the year to the end of June 1987.

North Sea is offering the shares on the basis of 3-for-5. If fully accepted it would lead to the issue of 24m shares or 81

per cent of the enlarged capital. Mr Mark Syropoulos, a North Sea director, said an Australian listing for North Sea would be sought to make the offer more appealing to Australian investors.

He added: "The deal would strengthen a lot of the operational participation on the financial front. We'll be able to pursue our resource exploration a lot more vigorously. It's a matter of tidying up the corporate structure."

North Sea is controlled by Apex Securities, the Australian group headed by Mr Mark Hohnen.

## Brodian acquires further shares in Buckley's

BY NIKU TAIT

MR GUY CRAMER and Mr Peter Clowes, the two Jameson Directors who are making a £28.1m hostile bid for Buckley's Brewery, yesterday purchased 72,000 in the first

of the stake since the bid was declared, and the purchases were made 2p below the previously-increased offer price of 185p.

The purchases take the stake held directly by Brodian, the nominated company making the bid, to 2.9 per cent. Mr Clowes and Mr Cramer are also beneficially interested in a further 27.51 per cent stake, held by Singur Nominees—a nominee for clients of Singer & Fried-

lander, their merchant bank advisers, who are providing a £6.5m facility to help fund the bid. That takes their total interest to 30.4 per cent.

Yesterday Buckley's shares added 2p to 181p.

ML HOLDINGS' sales and profits in the start to the year were ahead of those for the same period last year, giving confidence to the year's results, Mr Ralph Price, chairman, told the annual meeting.

The group has appointed Mr Stephen Hodges as a group finance director. Mr Ian Hackett will continue as group financial controller.

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## Stonehill preference is passed

By Philip Coggan

Stonehill Holdings, the loss-making furniture manufacturer, yesterday announced that it would be passing its cumulative preference dividends due in September, but because of profits would not be sufficient to meet it.

In February, the group announced increased interim pre-tax losses of £1.35m (£288,000) and passed its ordinary dividends.

Stonehill's shares closed at 40.4p.

## Freshbake ahead

By Mr John Taylor, Freshbake

Food chairman, told shareholders that sales in the present year were well ahead of those in the previous year. These were likely to be boosted by the listing of new products with major supermarket chains.

The company also expected higher vegetable prices in the second half of the year, which would boost the value of food in stock as well as raise commissions on processed vegetables.

Mr Taylor added that the company was confident about the outcome of the full year despite slight increased charges resulting from losses at Wold. Its recently acquired subsidiary where overstatements of stocks and understatements of credit were found.

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## BC Skin Nippon

Baileys Gifford Skin Nippon, investment trust, reported net assets of £63.5m at the end of July 1987 against £63.8m six months earlier. After revenue for the six months to July 31 was £21,962 (£9,931) for earnings per 100p share of £1.15p (0.06p). Gross investment income was £120,197 (£197,463).

## TDG sales

Transport

Development

Group road transport and distribution group, is selling its

subsidiaries, Beck and Politzer

Contracts and Clements and

Street, to Melville Group. The

companies being sold have net assets of £3.6m.

Dividends shown per share otherwise

stated. \* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock.

§ Unquoted stock. || Third market. | Makes 1.75p (1.475p) for

three quarters and indicates 2.35p for year.

Dividends shown per share otherwise

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## APPOINTMENTS

## Swan Hunter strengthens its board

**SWAN HUNTER**, the marine defence contractor whose chairman is Mr David Hunter, has made the following board appointments: Mr Alex Marsh becomes chief executive and Mr Roger Vaughan, deputy chief executive. Mr Ken Chapman has overall responsibility for market development and sales and Mr Peter Vaughan leads a new function embracing diversification, procurement and commercial affairs. Mr Adrian Ould joins the board as finance director. Formerly a director of financial firm Thomas Water, he has previously held senior posts at the Metropolitan and Deltrey, Mr Philip Symonds, of Candover (leader of the management buy-out) is non-executive director.

**THE AUTOMOBILE ASSOCIATION** has appointed Mr K. G. Fairclough as a director of AA Drive Publications, and AA Financial Services.

## Midland Montagu posts

**MANAGEMENT** has appointed five new directors: Mr Peter Webber, Mr David Moore, Mr Tom Grenade and Mr Adrian White. Mr Webber becomes director of North American investment, and will be responsible for the investment of UK funds in the North American equity markets, and overseas investment from the US. He was previously with Morgan Grenfell.

**ARTHUR ANDERSEN & CO** has admitted to partnership on September 1: Mr Jonathan Hesmer, Mr Martin Fishman and Mr David Hughes in London, and Mr Gerard Murphy in Nottingham. Mr Nicholas Shore (London) has been appointed a partner from the firm of Pate. On the same date the management

admits Mr Robert Baldwin, Mr Stephen Carter, Ms Cherine Chalishy, Mr James Hall, Mr William Lattimer and Mr Aram Shishmanian.

ment consultancy admits to international fixed-income markets, and for building an internationally diversified institutional client base. He was previously with Manufacturers

Investor Management. Mr Hunter is director for Far Eastern business. He will be concerned principally with direct portfolio and unit trust investment in major equity markets in the region, as well as outward investment opportunities from Japan and Hong Kong. He was previously with Lazard Brothers. Mr Grenade becomes director for investment in continental Europe. He was previously with Bank of America's investment department, where he was responsible for all asset management. Mr White, who is director with responsibility for all financial and planning activities, was previously with Morgan Grenfell.

**Mr Alan Light** and **Mr Michael Weinsteins** have been elected to the board of RATNERS GROUP.

**Mr Barry Leach** becomes chief internal auditor of ABBEY GROUP from September 3. He joins after six years with the Stock Exchange, the past three as head of audit services. Two management managers have been appointed: Mr Michael Whittaker and Mr Alan Fearnley, responsible for unit trusts and life products respectively. Mr Whittaker joins from the London Life Group. Mr Fearnley joins from the Gresham Assurance Group where he was marketing director.

**ERNST & WHINNEY** has appointed Mr Roger Griffiths as a partner in the Newcastle office. He has been engaged in corporate insolvency and viability work.

**ALPHA MICROSYSTEMS** has appointed as director of European operations Mr Mike Osler, previously director of UK operations.

## ECONOMIC DIARY

**TOMORROW:** Social Democratic Party conference opens, debate on general election, Portsmouth (until September 2). Campaign for Work statement.

**MONDAY:** Docklands Light Railways open. SDP debates plan to merge with Liberal Party. Duke of Edinburgh's sporting guns half report.

**TUESDAY:** CBI monthly trends enquiry for August. Balance of payments, current account and overseas trade figures for July. UK banks' assets and liabilities and the money stock for July. London sterling certificates of deposit in July. Leader speaks at SDP conference, debates on education, training and education, inner cities and trade unions.

**Friends of the Earth** statement on new radiation safety standard campaign. Radioactive waste management advisory committee annual report published.

**WEDNESDAY:** Capital issues and official reserves for August. UK Overseas travel and tourism in June. Advance energy statistics for July. SDP debates poll tax.

**European security:** Summit of Francophone countries opens in Quebec. President Mitterrand of France attends (until September 4). Interim results from Hong Kong and China Gas. Woodside Petroleum first half results.

**THURSDAY:** Detailed analysis of employment, unemployment, earnings, prices and other indicators published by Department of Employment.

**FRIDAY:** United Kingdom National Accounts 1987 Edition (CSO Blue Book) published.

Second quarter house renovations, and figures for housing starts and completions in July, published by the Department of the Environment.

**THE net asset value at 31st July 1987 was £33.37**

The net asset value after contingent Capital Gains Tax was £33.15

**NOTICE IS HEREBY GIVEN** that for the period from August 28th, 1987 to November 30th, 1987 the Fund will pay interest at the rate of 7.375 per cent per annum. The interest payable on each £10,000 unit will be £0.5625. Interest on the relevant interest payment date November 30th, 1987 will be £0.575.

**Principal Paying Agent** Banque Géodis de Paris (Luxembourg S.A.)

## GRANVILLE SPONSORED SECURITIES

High	Low	Company	Gross Yield	Price Change div. (p) %	P/E
205	133	Ass. Brit. Ind. Ordinary	203	7.3	3.8 12.4
205	145	Ass. Brit. Ind. CULS	203	10.0	4.5
40	34	Armitage and Rhodes	38	4.4	11.1 5.3
142	67	BBB Design Group (USM)	110xd	2.1	1.9 17.5
169	105	Borden Group	169	+ 2	2.7 1.8 28.8
151	95	Brey Technologies	181	+ 1	4.7 2.6 14.5
251	130	CCG Group Ordinary	261	11.5	4.4 6.7
141	92	CCG Group 11pc Conv. Pref.	141	15.7	11.1
177	130	Carborundum Ordinary	171	5.4	3.1 14.9
102	61	Carborundum 7.5pc Pref.	102	10.7	10.5
127	87	George Blair	129xd	3.7	2.5 3.3
143	115	ISIS Group	120	—	—
75	55	Jackson Group	75	3.4	4.5 8.3
442	321	Jones Burrough	445	+ 1	18.2 4.7 10.1
200	80	Muthhouse N.V. (Amex)	200	12.9	13.3
500	361	Record Ridgway Ordinary	500	—	21.4
85	53	Record Ridgway 10pc Pref.	85	14.1	16.4
61	59	Robert Jenkins	69	—	3.0
124	42	Scrutons	124xd	—	—
224	141	Torday and Corfield	220	5.6	3.0 10.7
42	32	Trevian Holdings	42xd	0.8	1.8 3.8
131	72	Unlock Holdings (SE)	108xd	2.8	2.6 19.5
221	115	Walter Alexander	221xd	5.8	2.7 16.4
166	100	W. S. Yeates	195	17.4	8.9 19.5
176	98	West Yorks Ind. Hosp. (USM)	133	+ 1	5.5 4.1 14.1
5	5	Securities designated (SE) and (ME) are dealt in subject to the rules and regulations of The Stock Exchange. Other securities listed above are dealt in subject to the rules of FIMBRA.			

Granville & Co. Limited  
5 Lovell Lane, London EC3R 8DP  
Telephone 01-621 1212  
Member of the Stock Exchange

Granville Davies Coleman Limited  
27 Lovell Lane, London EC3R 8DT  
Telephone 01-621 1212  
Member of the Stock Exchange

## G. B. C. Capital Ltd

The net asset value at 31st July 1987 was £33.37

The net asset value after contingent Capital Gains Tax was £33.15

## European Assets Trust NV

The net asset value at 31st July 1987 was Dfl 8.75

## BANQUE NATIONALE DE PARIS

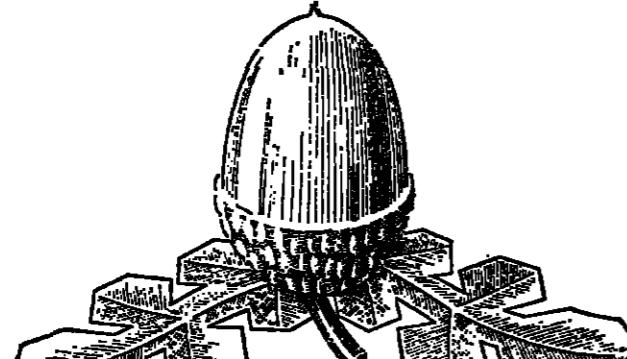
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F.R.N. due 1996

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Principal Paying Agent Banque Géodis de Paris (Luxembourg S.A.)

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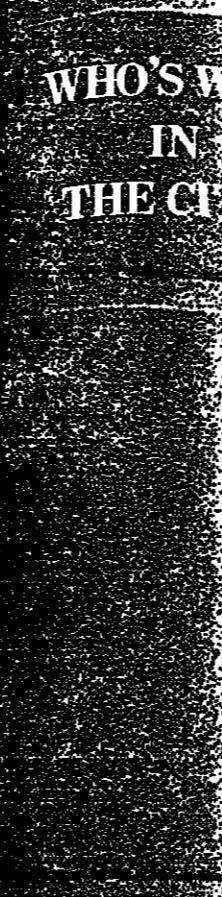
Alternatively, contact your financial advisor.

\*Source: Micropal. Offer to bid net income reinvested to 1 August 1987.

MURRAY

JOHNSTONE

WHO'S WHO  
IN  
THE  
CL



## FT ACTUARIES INDICES

These Indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS	Friday August 28 1987										Highs and Lows Index			
	Thurs Aug 27	Wed Aug 26	Tues Aug 25	Sat Aug 22	Fri Aug 21	Thurs Aug 20	Wed Aug 19	Tues Aug 18	Mon Aug 17	Index No.				
Index No.	Day's Change %	Ed Yield %	Gross Yield %	Ed Rate to date	Ed adj. to date	Index No.	Index No.	Index No.	Index No.	Index No.	High	Low	Since Compan High	Since Compan Low
1 CAPITAL GOODS (212)	948.11	+8.6	7.31	2.90	17.21	14.50	942.87	943.88	947.72	704.40	1809.07	147	696.73	2/1
2 Building Materials (30)	1181.18	+8.3	7.54	2.91	17.82	17.22	1181.32	1195.79	1198.23	1201.59	1201.59	5/1	1201.59	167/167
3 Contractors (33)	1770.92	+1.1	7.07	2.82	18.94	17.05	1691.62	1696.24	1725.45	1725.45	1725.45	2/1	1725.45	167/167
4 Electronics (2)	2483.18	+6.7	3.16	2.14	21.47	21.07	2434.79	2435.40	2435.40	2435.40	2435.40	2/1	2435.40	207/207
5 Electronics (35)	2011.52	+1.3	7.98	2.47	16.33	19.33	1994.32	2024.45	2045.77	2045.77	2045.77	2/1	2045.77	223/223
6 Mechanical Engineering (60)	557.15	+8.6	7.88	2.81	17.20	14.80	551.36	553.60	554.80	554.80	554.80	2/1	554.80	297/297
7 Metals and Metal Forming (7)	1033.18	+1.1	7.42	2.87	15.35	14.50	1033.45	1033.52	1037.57	1046.28	1046.28	2/1	1046.28	167/167
8 Other Industrial Materials (22)	1612.05	+8.1	5.92	2.65	18.26	20.24	1612.05	1621.13	1621.13	1621.13	1621.13	2/1	1621.13	167/167
9 Motors (14)	2205.02	+1.1	7.11	2.82	16.52	17.05	2205.02	2207.79	2212.69	2212.69				

## INTL. COMPANIES and FINANCE

**Reebok hit by labour unrest in Korea**

By Clay Harris

**REEBOK INTERNATIONAL**, the US sports shoe distributor, will be unable to fulfil back-to-school demand because of labour unrest in South Korea, where 88 per cent of its sales are made. The company warned that third-quarter earnings per share would be only slightly higher than last year.

After the statement last Thursday, analysts in New York reduced full-year earnings estimates from \$1.80 to \$1.50, compared with \$1.25 in 1986. In early trading yesterday, Reebok shares were \$21 lower at \$19.

The news also hit Penland Industries, the UK group which owns 32 per cent of Reebok. Its shares fell 24p to 217p in London.

Reebok was optimistic that output would soon improve, but its backlog of orders for shipment by year-end had reached \$520m, against \$390m at the same time in 1986.

Mr Paul Fireman, chairman, described Reebok as "a victim of its own success". Last year Reebok led the 22.7m US branded athletic footwear market with 32 per cent, against only 14 per cent in 1985.

The problems also reflect, however, Reebok's practice of keeping supply slightly short of demand, to police its tough anti-discounting stance.

The production shortfall is expected mainly to be felt in the US. Reebok has diverted some of its earlier output to fuel growth in other markets, including the US and West Germany, with the intention of supplying US retailers with increased production in time for the August and September rush.

Delays had been worsened by competitors shifting production into factories also used by Reebok. The company had begun to diversify its sourcing even before the labour troubles, which are still affecting some Korean suppliers.

**Norsk Hydro sells refinery stake to Statoil**

By Karen Foss in Oslo

**NORSK HYDRO**, the partially state-owned Norwegian industrial group, has sold its 30 per cent stake in the Monstad oil refinery on the west coast of Norway for Nkr 600m (\$80m) to Statoil, the Norwegian state oil company.

The terms of the deal will also provide for a supply agreement which will include a swap of products from Statoil's Mongstad refinery to cover Norsk Hydro's requirements for refined products in Norway.

In return Statoil will receive a corresponding share of products from Norsk Hydro's interest in the Swedish Scaniafors refinery which will enable it to partially meet its Swedish refined products supply need.

The deal, subject to Norwegian government approval which is expected before the end of the year, will give Statoil full ownership of the Mongstad refinery.

The Mongstad refinery has throughput capacity of 4m tonnes per year, but a recent extension project, in which Statoil is the full owner, will provide for an additional 2.5m tonnes of throughput.

Last year Norsk Hydro secured a deal with the Swedish Scaniafors refinery in which it bought a 21.5 per cent interest. The Swedish refinery has a 1m tonnes per year throughput capacity and is equipped with products upgrading units, known as crackers.

Norsk Hydro says that the Scaniafors refinery, located on the west coast of Sweden, is near to its markets which include Sweden, Denmark and southern Norway.

The two companies say that simplification of ownership in the Mongstad refinery will better suit their refining requirements in the coming years when Statoil's requirement is expected to increase.

**Dun & Bradstreet pays \$560m for researcher**

By GORDON CRAMM IN NEW YORK

**DUN & BRADSTREET**, the US information services group, is paying more than \$500m for a Chicago-based tag marketing company which has combined with its own A.C. Nielsen research arm.

Information Resources, founded in 1978, helps companies in developing and marketing consumer products by tracking the buying patterns of sample consumers, simulating on computer the impact of a brand launch, and running small-scale pilot advertising campaigns slipped into local newspaper or cable television slots.

Nielsen, which D & B bought three years ago, continues to sell shares for Information Resources to its better-known ratings system to measure television audiences. Mr Charles Moritz, D & B chairman, said the deal would support the development of new market research information, an area in which expansion remained part of its strategy.

Information Resources had revenues last year of \$94m, from which it made net profits of \$10m. Earnings growth over the past five years has averaged 30 per cent annually. Its 16.8m shares will be exchanged for 8.54m shares in

the deal, D & B said, which is in the middle of a substantial investment programme in new technology.

Mr John Malec, its chairman, said the deal would "result in greater resources for growth and more diversified products and services".

**French groups in US link**

By GEORGE GRAHAM IN PARIS

**FRANCE'S THREE** leading nuclear companies are to buy out the US nuclear fuels business of Babcock and Wilcox.

The three companies—Cogema, the nuclear fuels miner and reprocessor, Framatome, the plant constructor, and Uranium Pechniche, nuclear fuel subsidiary of the state-owned aluminium group—will take 49 per cent between them in a new joint venture in the US, where Babcock and Wilcox has a 10 to 15 per cent market share.

The French companies will buy out the total market for pressurised water nuclear reactor fuel in the US, where Babcock and Wilcox has a 10 to 15 per cent market share, about 1,500 tonnes a year, of which half is supplied under contract by the builders of the nuclear reactors. They therefore see a share to be won in

the French companies. "We have found that the American utilities have a strong 'Buy American' reflex. We realised we could not make progress on this market without an American," Mr Christian Gobert, deputy managing director of Cogema, said yesterday.

The French companies will take 49 per cent between them in a new joint venture in the US, where Babcock and Wilcox has a 10 to 15 per cent market share, about 1,500 tonnes a year, of which half is supplied under contract by the builders of the nuclear reactors. They therefore see a share to be won in

the French companies. "We have found that the American utilities have a strong 'Buy American' reflex. We realised we could not make progress on this market without an American," Mr Christian Gobert, deputy managing director of Cogema, said yesterday.

The joint venture will take over Babcock and Wilcox's 490-tonnes-a-day plant in Lynchburg, Virginia, with annual sales of \$50m to \$100m. It hopes to expand into the downstream handling and reprocessing of spent nuclear fuels, where Cogema is already the world leader.

**Swire Pacific sharply ahead**

By DAVID DODWELL IN HONG KONG

**SWIRE PACIFIC HOLDINGS**, the Hong Kong group with interests in property and the aviation group, Cathay Pacific Airways, yesterday reported profits after tax and minorities of HK\$1.1bn (\$140.8m) for the first half of 1987 — a 73 per cent improvement on last year.

Some of the improvement was attributed to a 65 per cent leap in profits from HK\$829m. Swire Pacific has a holding of just over 50 per cent in Cathay. Strong profits growth was also reported from property interests, as demand for commercial and residential property has surged.

Mr Michael Miles, the group's chairman, said a number of property developments had been completed in the second half of 1986, providing a strong surge in property earnings that was not reflected in first-half earnings last year.

Despite the after-tax profits improvement — based on a 34 per cent rise in turnover from HK\$757m to HK\$945m — attributable profits were significantly lower than in 1986 because of the inclusion last year of a HK\$1.38bn extraordinary profit from the sale of part of its holding in Cathay Pacific.

Swire Pacific's trading operations showed considerable improvement on 1986, Mr Miles said.

Mr Miles forecast that future prospects were good, with a second-half profits likely to be "relatively close" to those earned in the first six months.

The company has declared an interim dividend on its "A" shares of 19.5c cents, compared with an interim last year of 15 cents. Its less widely-circulated "B" shares will get 3.8 cents per share, compared with 3 cents last year.

**NOKS Hydro** in Hong Kong

By Karen Foss in Oslo

**NOKS HYDRO**, the partially state-owned Norwegian industrial group, has sold its 30 per cent stake in the Monstad oil refinery on the west coast of Norway for Nkr 600m (\$80m) to Statoil, the Norwegian state oil company.

The terms of the deal will also provide for a supply agreement which will include a swap of products from Statoil's Mongstad refinery to cover Norsk Hydro's requirements for refined products in Norway.

In return Statoil will receive a corresponding share of products from Norsk Hydro's interest in the Swedish Scaniafors refinery which will enable it to partially meet its Swedish refined products supply need.

The deal, subject to Norwegian government approval which is expected before the end of the year, will give Statoil full ownership of the Mongstad refinery.

The Mongstad refinery has throughput capacity of 4m tonnes per year, but a recent extension project, in which Statoil is the full owner, will provide for an additional 2.5m tonnes of throughput.

Last year Norsk Hydro secured a deal with the Swedish Scaniafors refinery in which it bought a 21.5 per cent interest. The Swedish refinery has a 1m tonnes per year throughput capacity and is equipped with products upgrading units, known as crackers.

Norsk Hydro says that the Scaniafors refinery, located on the west coast of Sweden, is near to its markets which include Sweden, Denmark and southern Norway.

The two companies say that simplification of ownership in the Mongstad refinery will better suit their refining requirements in the coming years when Statoil's requirement is expected to increase.

**Hutchison Whampoa expands by 63%**

By OUR HONG KONG CORRESPONDENT

**HUTCHISON WHAMPOA** and two major Hong Kong groups, headed by Mr Li Kashung, yesterday capped a week of robust company results in the British territory by reporting half-year profits up by 63 per cent and 64 per cent respectively.

Hutchison, a conglomerate with interests ranging from property and telecommunications to trading and container port operations, reported after-tax profits of HK\$262m (\$31.04m) in the first six months of 1987, up from HK\$150m last year. Extraordinary profits of HK\$220m — accounted for mainly by the sale of stakes in

Hong Kong's South China Morning Post and the Pearson Group in the UK — boosted attributable profits to HK\$130m, against HK\$127m last year.

Mr Simon Murray, managing director of Hutchison, said much of the profits growth was from the completion of property development, in particular Whampoa Garden on the Kowloon waterfront. Container port operations were also buoyant as trade through Hong Kong has soared to record levels.

Hutchison's stake in Canada's Husky Oil, held through its 52 per cent-owned subsidiary, Cavendish International, also

contributed profits, Mr Murray said, but was "still quite a long way from earning us really big numbers."

Cheung Kong, Mr Li Kashung's flagship property company, which controls almost 37 per cent of Hutchison, benefited from Hutchison's strong performance as well as "very brisk" sales of industrial and commercial properties. After-tax profits for the first half rose to HK\$685m, from HK\$379m at the interim stage last year. Mr Li predicted that second-half profits would be better than those in the first half.

Hutchison shares improved

by 60 cents on the week, to end at HK\$4.70, while Cheung Kong shares rose by 70 cents to HK\$12.70 last year.

These results, in line with most stock market expectations, brought a buoyant end to a week that has seen Hong Kong share prices soar to record levels. The Hang Seng index rose by almost 5 per cent from 3448.6 at the start of trading on Monday, to a record close of 3612 yesterday. The index now stands almost 50 per cent above the year's low point in January of 2450.

Hutchison shares improved

**COMMODITIES AND AGRICULTURE****US MARKETS**

**HEAVY MIXED** selling in the first hour of trading on crude oil futures saw prices fall, reports Drexel Burnham Lambert. Trade, commission houses, selling and mixed long-short forced prices lower and with serious buyers few and far between. Continued liquidation by funds and early trade selling depressed previous metals, touching off steps as prices fell. Sheds covering and trade buying held the market in a narrow range before renewed fund selling towards the close extended losses. Copper was lower despite early trade buying as continued selling pressure derived from liquidation of positions in September.

Forced prices down. Coffee

fell on good local and

commission house buying.

The trade was a noted sellers

on trade and speculative sell

ing despite a brief recovery

on commission houses.

Sugar ended on

commodity house selling

which touched off commission

house stops. Cotton fell as

huge commission house stops

were elected, pushing the

market to limit-down before

spot trading, pared losses.

Light profit-taking by com-

mission houses and profes-

sionals in the grains and

soybeans complex eased

prices across the board.

Cotton fell on reports

of increased slaughtering

and lower cash prices.

**NEW YORK**

**ALUMINUM** 40,000 lbs, cents/lb

Closes Prev High Low

Sept. 27 77.02 77.52 77.50 77.00

Oct. 26 77.50 78.00 78.50 77.50

Dec. 26 78.50 79.00 79.50 78.50

Jan. 25 79.00 79.50 79.50 79.00

Feb. 24 79.50 80.00 80.50 79.50

March 23 80.00 80.50 80.50 80.00

April 22 80.50 81.00 81.00 80.50

May 21 81.00 81.50 81.50 81.00

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## CURRENCIES &amp; MONEY

## FOREIGN EXCHANGES

## Central banks support dollar

CO-ORDINATED INTERVENTION by several European central banks prevented the dollar from falling below significant support levels in currency markets yesterday.

The Bank of France and the West German Bundesbank were both involved as the Swiss central bank intervention by European central banks came in the wake of further support given by the Bank of Japan and although the amounts involved were thought to be relatively modest, they were enough to deter speculators from running short dollar positions.

Before the Banks had intervened, the dollar had been pushed down amid growing evidence that the current trade imbalance between the US and its major trading partners was showing little sign of narrowing.

Speculators in the US bank was poised to raise its interest rate also provided some support.

However the dollar still finished down from Thursday's closing rates at DM 1.6110 from DM 1.6130 and Yen 1.1456 which was unchanged. Elsewhere it slipped

to SF 1.4925 from SF 1.4930 and FF 6.0475 compared with FF 6.0375. On Bank of England figures, the dollar's exchange rate index was unchanged at 101.1.

**STERLING** — Trading range against the dollar in 1967 is £1.4710. July average 1.4605 to 1.4710. June average 1.4605 to 1.4710. June intervention 1.4723 at the opening and Thursday night. The six months ago figure was 69.5.

Sterling finished quietly firmer ahead of the long weekend. There was little activity before the release on Tuesday of UK trade figures which were expected to show a further current account deficit.

The pound closed at \$1.6335 up from \$1.6290 and DM 2.3575 compared with DM 2.3550. It was also higher against the yen at Yen 223.0 and against the D-mark at DM 1.5935 to 1.5960. July average 1.5925 to 1.5960.

— Trading range against the dollar in 1967 is £1.3935 to 1.7690. July average 1.4295. Exchange rate index 223.0 against the dollar and against the yen continued to rise in demand in Tokyo as a result of the dollar's bearish undertone.

Speculative selling was only limited by concern about central bank intervention. Japan's trade figures for July showed a marginal decline from a year ago

but was also active in open trading as the dollar threatened to break through significant support levels.

The US unit was fixed at DM 1.6204 against DM 1.6203 on August 26. The Bundesbank bought DM 1.6204. The Bundesbank's open market operations were part of a concerted drive by other central banks to keep the dollar steady. The Bank last bought dollars at the fixing just over three months ago.

News of a larger West German trade surplus and a record US trade deficit in the second quarter convinced many speculators that the dollar was due for another downward correction.

**JAPANESE YEN** — Trading range against the dollar in 1967 is £1.3945 to 1.4333. July average 1.4525. Exchange rate index 223.0 against the dollar and against the yen continued to rise in demand in Tokyo as a result of the dollar's bearish undertone.

Speculative selling was only limited by concern about central bank intervention. Japan's trade figures for July showed a marginal decline from a year ago

but was also active in open trading as the dollar threatened to break through significant support levels.

The UK securities markets brightened up yesterday as the pound rallied and the City showed a little more confidence ahead of next week's announcement of the UK trade figures for July. But turnover remained woefully thin, and the trading desks thinned out towards the close as London moved into the Bank Holiday weekend.

Government bonds edged up by 1/4 point behind the improvement in sterling, brushing off a dull performance by US Treasury issues. Some London traders were more cautious, however, for the July trade figures due on Tuesday, suggesting that the figures might be nearer to "flat" than to the substantial deficits predicted earlier this week.

But there was very little retail trade in Gilts. Trading houses closed up bear positions ahead of the long weekend. Some traders, however, were also cautious regarding currency factors after a major international house suggested that changes were planned in the European Monetary System which might be favourable to British participation.

The stock market also benefited from the strike by South African mineworkers brought gains in selected mining issues.

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## LONDON STOCK EXCHANGE

## DEALINGS

Details of business done shown below have been taken with permission from last Thursday's Stock Exchange Official List and should not be reproduced without permission. Unless otherwise indicated prices are in pence. The prices are those at which the business was done on Thursday and settled through the Stock Exchange Ticker system. They are not in order of execution but in ascending order which denotes the highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List the days is given with the relevant date.

listed below are the four types of deals:

Bargains at special prices. • Bargains done with non-member or executive in overseas markets.

Corporation and County Stocks. No. of bargains included 9

London County 21% Cons Sks 1920s after - 220 (21a87)

Greater London County 6% Cons Sks 90-92 - 125 (21a87)

Brentford Corp 8% 1948(Reg) after - 125 (21a87)

Birmingham District Council 11% Red Skt 2012 - 121 (21a87)

Brentford 11% Red Skt 2008 - £103 (21a87)

London County 11% Red Skt 2008 - £103 (21a87)

London County 11% Red Skt 2006 - £118 (21a87)

London County 11% Red Skt 2005 - £118 (21a87)

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## WORLD MARKETS

## FT-ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	THURSDAY AUGUST 27 1987				WEDNESDAY AUGUST 26 1987				DOLLAR INDEX			
	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency	Gros Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency	1987 High	1987 Low	Year ago	
Australia (93)	162.57	+1.8	147.96	151.81	2.41	159.65	146.38	146.98	162.57	99.92	74.90	
Austria (16)	96.97	+0.7	88.25	91.46	9.62	98.26	88.25	91.46	101.62	85.59	93.83	
Belgium (48)	133.47	+0.7	121.47	124.91	3.71	132.23	122.11	124.89	133.47	96.19	88.39	
Canada (129)	138.34	+0.0	125.90	131.93	2.03	136.00	128.89	132.46	140.78	100.00	98.66	
Denmark (59)	122.83	-1.1	111.97	112.97	1.57	124.21	111.89	118.47	124.21	98.38	94.17	
France (121)	113.21	+1.6	104.05	108.63	2.58	112.57	101.21	107.75	121.82	98.39	99.02	
West Germany (92)	163.44	-0.1	94.16	97.50	1.03	161.56	94.95	98.25	104.87	84.00	95.69	
Italy (94)	144.03	+1.4	131.08	144.37	2.52	142.11	130.30	142.46	144.03	96.89	77.30	
Ireland (14)	142.57	+0.8	129.76	136.52	3.27	141.39	129.63	136.03	145.50	97.50	78.20	
Italy (76)	87.42	+3.0	79.56	85.76	2.11	84.87	77.71	85.76	102.64	97.72	89.30	
Japan (458)	152.99	+1.0	139.24	137.28	0.49	151.21	131.51	137.28	161.28	100.00	89.86	
Malaysia (36)	183.78	-0.9	167.26	178.92	1.11	186.41	170.02	179.95	193.64	98.24	88.98	
Mexico (14)	340.22	+0.7	274.74	281.21	1.54	338.02	305.92	340.22	340.22	99.72	63.50	
Netherlands (37)	134.24	-1.2	115.90	121.81	1.24	130.86	119.92	122.82	131.41	99.65	99.57	
New Zealand (24)	123.21	+0.1	112.16	108.06	2.73	123.15	112.92	109.05	125.32	83.93	71.72	
Norway (24)	168.67	+3.7	153.69	152.71	1.78	162.62	149.23	172.79	172.79	100.00	104.32	
Singapore (27)	173.18	-0.4	157.62	168.04	1.48	173.80	159.36	168.80	174.28	99.92	90.29	
South Africa (61)	179.82	+2.4	163.66	135.57	3.03	175.69	151.18	163.66	180.00	96.10	96.10	
Spain (43)	153.80	+2.8	139.57	142.03	2.09	157.74	137.13	139.09	153.80	100.00	94.25	
Sweden (33)	127.29	-0.2	112.55	116.26	1.52	127.24	116.26	127.24	130.84	90.85	94.40	
Switzerland (63)	112.32	-0.1	99.49	100.17	1.24	106.11	99.12	100.77	109.22	92.01	94.40	
United Kingdom (355)	149.59	+0.6	136.15	136.15	1.22	148.66	136.30	148.66	162.87	99.65	97.70	
USA (590)	135.34	-0.9	123.18	133.34	2.71	136.62	120.27	133.34	137.42	100.00	105.54	
The World Index (2408)	159.73	+0.2	127.17	132.18	1.92	159.45	127.85	132.50	159.73	100.00	100.12	

Base values: Dec. 31, 1986 = 100  
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Last price changes were unavailable for this edition.

## EUROPEAN OPTIONS EXCHANGE

Series	Nov 87		Feb 88		May 88		Stock
	Vol.	Last	Vol.	Last	Vol.	Last	
GOLD C	5480	197	10	1	22	10	31.50
GOLD C	5500	197	6.00	—	24	—	5422.00
GOLD P	5380	195	0.20	—	—	—	—
GOLD P	5700	125	1.20	—	—	—	—
GOLD P	5440	128	6	15	130	10.50	—
SILVER C	5700	—	—	—	—	—	—
SILVER C	5700	—	—	—	—	—	—
SILVER P	5750	—	—	20	255	—	—
SPI C	2100	100	5	88	40	6.20	FL204.48
SPI C	2100	147	7.00	20	250	22	1.90
SPI C	2100	147	2	8	140	20.40	—
SPI C	2105	63	2	—	340	—	—
SPI C	2107	—	—	—	—	—	—
SPI C	2108	—	—	—	—	—	—
SPI C	2109	—	—	—	—	—	—
SPI C	2110	—	—	—	—	—	—
SPI C	2111	—	—	—	—	—	—
SPI C	2112	—	—	—	—	—	—
SPI C	2113	—	—	—	—	—	—
SPI C	2114	—	—	—	—	—	—
SPI C	2115	—	—	—	—	—	—
SPI C	2116	—	—	—	—	—	—
SPI C	2117	—	—	—	—	—	—
SPI C	2118	—	—	—	—	—	—
SPI C	2119	—	—	—	—	—	—
SPI C	2120	—	—	—	—	—	—
SPI C	2121	—	—	—	—	—	—
SPI C	2122	—	—	—	—	—	—
SPI C	2123	—	—	—	—	—	—
SPI C	2124	—	—	—	—	—	—
SPI C	2125	—	—	—	—	—	—
SPI C	2126	—	—	—	—	—	—
SPI C	2127	—	—	—	—	—	—
SPI C	2128	—	—	—	—	—	—
SPI C	2129	—	—	—	—	—	—
SPI C	2130	—	—	—	—	—	—
SPI C	2131	—	—	—	—	—	—
SPI C	2132	—	—	—	—	—	—
SPI C	2133	—	—	—	—	—	—
SPI C	2134	—	—	—	—	—	—
SPI C	2135	—	—	—	—	—	—
SPI C	2136	—	—	—	—	—	—
SPI C	2137	—	—	—	—	—	—
SPI C	2138	—	—	—	—	—	—
SPI C	2139	—	—	—	—	—	—
SPI C	2140	—	—	—	—	—	—
SPI C	2141	—	—	—	—	—	—
SPI C	2142	—	—	—	—	—	—
SPI C	2143	—	—	—	—	—	—
SPI C	2144	—	—	—	—	—	—
SPI C	2145	—	—	—	—	—	—
SPI C	2146	—	—	—	—	—	—
SPI C	2147	—	—	—	—	—	—
SPI C	2148	—	—	—	—	—	—
SPI C	2149	—	—	—	—		

# FT UNIT TRUST INFORMATION SERVICE

# UNIT TRUST INFORMATION SERVICE

BRITISH FUNDS				BRITISH FUNDS—Contd				FOREIGN BONDS & RAILS				FOREIGN BONDS & RAILS						
1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low	Div	Gr. Gross	Yld.	
<b>"Shorts" (Lives up to Five Years)</b>																		
101/2	100	Treas. 12m. 1987	100	11.97	10.03			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
99/2	97	Treas. 7/26/1988-8/27/88	99/2	7.81	9.42			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
102/2	99	Each 10/26/88	99	10.51	10.50			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
101/2	98	Treas. 7/26/88	99	9.82	10.61			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
97	95	Transport 3/6/88-7/26/88	95	3.12	7.88			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
101/2	98	Treas. 7/26/88	98	9.62	10.59			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
105/2	101	Treas. 11/17/1989	101	11.97	10.40			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
102/2	97	Treas. 7/26/88	98	9.65	10.53			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
94/2	89	Treas. 3/6/88	92	3.23	7.48			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
104/2	99	Treas. 10/25/1989	99	10.53	10.62			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
103/2	96	Each 10/26/89	98	10.11	10.64			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
105/2	100	Each 12m. 1989	100	10.73	10.64			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
95/2	89	Treas. 10/26/89	92	5.40	8.88			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
104/2	97	Each 10/26/89	99	10.26	10.26			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
111/2	103	Treas. 12m. 1989	103	12.28	10.34			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
108/2	100	Each 12m. 1989	100	10.63	10.34			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
110/2	104	Each 12m. 1989	104	11.89	10.22			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
91/2	84	Treas. 3/6/1990	84	3.36	7.46			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
100/2	93	Treas. 12m. 1989-9/26/90	95	8.53	9.57			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
105	97	Treas. 10/26/1990	98	10.08	10.20			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
89/2	81	Treas. 2/10/1990	85	2.89	7.19			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
110/2	103	Treas. 11/26/1990	103	11.28	10.23			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
95/2	87	Funding 5/26/87-9/26/90	89	6.39	9.03			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
89/2	80	Treas. 3/6/1990	84	3.55	7.91			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
110/2	99	Treas. 10/26/1990	102	10.02	10.04			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
101/2	103	Treas. 12m. 1990	103	10.81	10.41			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
108/2	101	Treas. 12m. 1990	101	3.74	7.41			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
115/2	106	Each 12m. 1990	106	11.48	10.47			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
<b>Five to Fifteen Years</b>																		
121/2	110/2	Each 13/4/1992	121/2	12.10	10.50			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
107/2	97/2	Treas. 10/26/1992	98/2	10.18	10.40			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
118/2	108/2	Treas. 12m. 1992	108/2	11.50	10.47			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
95/2	82	Funding 1/26/1992	95/2	7.00	9.11			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
121/2	113/2	Treas. 13/4/1992	114/2	12.05	10.56			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
129/2	118/2	Treas. 14/4/1992	118/2	12.24	10.51			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
124/2	112/2	Each 13/4/1992	113/2	11.91	10.64			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
107/2	97/2	Treas. 16/4/1992	107/2	10.20	10.39			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
120/2	104/2	Each 12m. 1992	104/2	11.82	10.45			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
92/2	91/2	Treas. 16/4/1992	91/2	10.15	10.39			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
118/2	104/2	Treas. 12m. 1992	104/2	8.78	10.45			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
90/2	90/2	Treas. 16/4/1992	90/2	10.68	10.41			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
108/2	99/2	Treas. 16/4/1992	99/2	3.74	7.41			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
115/2	106/2	Each 12m. 1992	106/2	11.48	10.47			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
<b>Over Fifteen Years</b>																		
121/2	110/2	Each 13/4/1992	121/2	12.10	10.50			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
107/2	97/2	Treas. 10/26/1992	98/2	10.18	10.40			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
118/2	108/2	Treas. 12m. 1992	108/2	11.50	10.47			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
95/2	82	Funding 1/26/1992	95/2	7.00	9.11			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
120/2	113/2	Treas. 13/4/1992	114/2	12.05	10.56			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
129/2	118/2	Treas. 14/4/1992	118/2	12.24	10.51			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
124/2	112/2	Each 13/4/1992	113/2	11.91	10.64			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
107/2	95/2	Treas. 16/4/1992	95/2	10.20	10.39			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
120/2	114/2	Each 12m. 1992	114/2	11.41	10.47			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
92/2	87/2	Treas. 12m. 1992	87/2	9.61	10.25			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
125/2	115/2	Treas. 13/4/1992	115/2	10.99	10.54			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
121/2	116/2	Treas. 14/4/1992	116/2	10.41	10.25			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
111/2	117/2	Treas. 15/4/1992	117/2	10.43	10.43			1987	High	Low	Stock	1987	High	Low	Stock	1987	High	Low
108/2	98/2	Treas. 16/4/1992	98/2	9.90	9.01			1987	High	Low	Stock	1987						







# WEEKEND FT

Saturday August 28 / Sunday August 29 1987

• MARKETS • FINANCE &amp; THE FAMILY • PROPERTY • TRAVEL • MOTORING • DIVERSIONS • HOW TO SPEND IT • BOOKS • ARTS • TV

IN SEBASTIAN COE, the great British runner, had competed in the 33rd Olympic Games, in 645 BC, he would have won the two-leg race, the discus, there-and-back along the track, as well as the stadium, the original one-length race. A free citizen of Greek blood, he would have prepared himself for the Games with utmost care—turning up a full month before they started, training intensively and probably embarking on a diet. On the last evening he would have sat with friends, relatives and fellow-citizens to a solemn supper that marked the Games' conclusion. His prize at Olympia would have been a sacred laurel wreath, though on returning home he would have been showered with gifts and honours. \* \* \*

IN SEBASTIAN COE, the great British runner, were to compete in the Olympic Games of 2088 AD, he would find himself faced with a formidable spread of physical and mental abilities far unattainable by the ancients. For a start, he would be accustomed to employing a variety of "telemetric" (remote measurement) techniques so as to allow teams of specialists to monitor his body's internal behaviour and responses during practice and competition.

By 2088, such techniques will have solved many of the body's mysteries. For example, how does the brain produce chemical messages such as epinephrine to increase energy and endorphins to reduce pain? How do muscles adapt to increased work loads? Knowing these secrets, Coe would approach the Games of 2088 confident that he had reached the very limits of his potential without ever over-training. For the Games of 2088, Coe would be accompanied by a personal staff—scientists, aides and medical liaison folk—of 20 people. Sponsored by the United Nations, the Olympics of that year will have re-adopted the ancient custom of ekecheiria—sacred truce—so that the Games are held in global peace. At the zenith of his powers, Coe wins three platinum wreaths and three solemn seppers. He is already a billionaire. \* \* \*

IN THE real world of August 1987, Sebastian Coe, great British runner, vice-chairman of the Sports Council, 35 years of age, probably weighing 150lb—was, during an injured Achilles' tendon that has barred him from the World Athletics Championships that begin in Rome today. To a track and field star, the world championships are of greater significance than the past two Olympic Games (Moscow and Los Angeles) because they are free of boycott. All the world is there, waiting for a titanic sporting dust-up between East and West, Russia and America, this star and that, in an orgy of athletic celebration.

Coe is not downcast by his absence from Moscow for his injury is healing. Instead, his target now is the Seoul Olympics of September 1988 when he hopes to crown a dazzling track career by successfully defending the 1500 metres title he won in Moscow and LA. (Seoul is ready. Its purpose-built 41,000 Olympic Park boasts the best collection of sporting arenas since the Munich Games of 1972.)

The other reason Coe is not dispirited is that he realises that his own career has coincided with a spectacular surge of interest in track and field that has occurred worldwide and rivals anything that has happened in the ancient times and the growth of the Panhellenic festival. Athletics has gone nova. This is

Money is pouring into athletics, which is rediscovering its classical glamour.

Michael Thompson-Noel

reports

especially true in Britain where a lake of money from sponsors and television has transformed athletics from a Cinderella to a queen among big-time sports. In the process, athletics has shed shamateurism—let alone the snobbish hypocrisy of the era that preceded it, with its burning bows and chariots of fire.

As a result, a few top athletes have become seriously rich while others make a living. Soon, international track and field stars will probably rival or eclipse the top money-earners in golf, tennis, boxing, baseball, soccer and American football.

Sebastian Coe says that in less than 10 years he has travelled from the age of second-class rail fares and 75p meal vouchers into an era of contracts, advisers, accountants and trust funds. How much is he worth? He ducks and laughs. "I haven't got a clue. The only figure I'm interested in is the Inland Revenue's assessment of my earnings." But these are large, given his contracts, plus a fee of £10,000 every time he runs, which is £10,000 plus.

Other British athletes with megastar earnings are decathlete Daley Thompson, runners Steve Cram, Steve Ovett and Zola Budd, and javelin thrower Fatima Whitbread. For the Millenium International track meet at London's Crystal Palace two weeks ago, Fatima was offered £5,000 appearance money, a £2,000 bonus if she threw past 74 metres and an extra £15,000 if she could surpass the new world record of 78.9 metres set by East Germany's Petra Felka.

Alan Pascoe, formerly a top hurdler and now a marketing whiz who designs deals behalf of British athletics, knows exactly what he would be worth in today's market. "I was a shamateur," he says. "I ran for pocket money. But today, as a crowd-puller who talks well, I'd be worth £27,500-28,000 per race, multiplied by 20 through the season"—plus contracts, endorsements, all the regular bits and pieces.

Via Alan Pascoe Associates, now part

of a bigger marketing services group, WCRS, Pascoe has concluded a clutch of sponsors (Dairy Crest Foods, McVities, Kodak, Pearl Assurance, et al) on longish contracts and is pumping "£1.5m cash net into the sport this year, plus about £500,000 in kind and in underwriting. That £1.5m net compares with about a third of a million gross when I came in (in the autumn of '84), and should go to at least £1.5m net in 1988."

As far as Pascoe extends breadth, depth and marketing, he has now lowered the bar "package." "I know there was a huge marketing opportunity for athletics," he says, "so I'm not surprised at the speed it has taken off, although I would like

## Chariots of gold



to see a break in the rate at which the price of athletes and meetings is escalating."

The factors that appeal to the glorious fraternity of brand managers, corporate moguls, marketing Magi and PR wizards, bladers are itemised by John Bromley, head of network sport for ITV, which snatched the rights to UK athletics from the BBC three years ago by offering £10.5m over five years and is broadcasting 22 athletes a week for the present June-September high season.

"First, cleanliness," says Bromley. "Athletics is wholesome and clean. Second, stars. Next, it's five-star-five. By and large, recorded sport is yesterday's news. The audience says: put me in the front row, haul up the curtain and let's go live. Then, its competitive—man against man in direct confrontation. Next, it's for the family, and women like it. Finally, it's a proven commercial金字招牌 for sponsors and advertisers."

"Traditionally the BBC has always covered athletics. Indeed, when Lew

Grade was running ATV he was once told that he could buy the AAA contract. 'What's that?' asked Lew. 'Amateur Athletic Association,' said an aide. Lew said: 'I've told you once and I'll tell you again—I don't want any amateurs in my business.'

"But three years ago we wanted a policy change. We wanted something big. And there was athletics. We would like to continue, though there are two question marks. First, there are too many stars. We've crammed in a short period. The stars are stretched. Second, with our investment we would like to see UK stars running at home, not abroad."

Bromley also says that he is alert to the danger of television, particularly the US networks, dominating the sport and moulding its events to suit its own needs and clients.

There are other concerns—notably the fear that all the big money is being drained into the trust funds of a few top stars and that the sport's roots will wither unless nourished can be fed to the bottom. This is a common fear in

most sports, particularly those that have been engulfed by a sea of money and by the strains of coming out: bulging from the closet of shamateurism into the gaudy light of day.

Sydney Wooderson, now 73, who ran at Motsup Park, Surrey, 50 years ago yesterday and clocked 4 mins 8.6 secs in the mile, thus shattering the world record (his aim had been to break his own British record of 4 mins 10 secs), says he was paid once for racing (in Glasgow, £12 in a brown envelope) but posted it back the next day.

Sebastian Coe says: "Athletes that achieve the most in the events that really matter tend to be the ones that sacrifice the dollar for the medal. When I was brought up, nothing mattered outside of an Olympic stadium or a European championships stadium. The money is a bonus. On the other hand, we don't yet know the side effects. In America large incomes from road racing have had a devastating impact on track events from 800 metres to 10,000 metres."

Coe says that the most useful thing his wealth buys is the freedom to train unimpeded, plus the best medical attention going. "I want to fly off for some warm weather training. I can; I can also tap a highly sophisticated battery of legitimate scientific help—blood chemistry analysis, for example—or to my physiologist, who lives in Atlanta."

By "legitimate" Coe is drawing an unequivocal distinction between those who use illegal drugs and substances to enhance performance or gain a psychological edge, and those who do not.

"It pains me," says Coe, "that the Sports Council had to spend £350,000 last year on dope testing and research. There are three big objections to drug-taking: it's morally wrong—cheating; it's dangerous—people die; and it's unnecessary. Unfortunately, the more sophisticated science gets, the more people will be taking drugs. We are having to deal with 1854 people—chemists who are given a full-time grant to work on better and more undetectable drugs."

"There is no alternative but to ban for life an athlete who is positively tested. There are too many positive tests that are only being matched by an 18-month ban."

Two years ago, Daley Thompson estimated that 10 per cent of America's international athletes and 20 per cent of Britain's had taken drugs in a bid to improve their performances; but no one really knows how widespread the habit is, nor what new substances and techniques are being developed to augment or supplant established props such as anabolic steroids ("bulk bombs"), blood doping, growth hormones, metabolic activators and even stranger things from the pharmacist's horror shop.

Prince Alexandre de Paris, president of the International Olympic Committee's medical commission, has admitted, wistfully, that "cheating will go on to the end of time." On the other hand, Arthur C. Clarke, the planet's best-qualified seer, argues that many controversial new techniques will eventually prove acceptable and push athletes way beyond today's performance limits.

Although official bodies today speak out uniformly against drug and artificial forms of stimulation, he says, "researchers are already experimenting with 'ergogenic' (performance enhancing) substances. Researchers believe that these chemical aids to performance will eventually be welcomed wholeheartedly because they simply won't be harmful any more."

Today, for example, anabolic steroids can lead to dangerous hormonal imbalances and side effects ranging from sterility to liver damage and cancer. "Within a decade, however," says Clarke, "biotechnology will learn to alter the steroid molecule, increasing the growth-producing (anabolic) benefits and totally eliminating the hormonal (androgenic) side effects. By 2010, steroids will be prescribed by doctors and trainers according to a controlled systematic programme."

Athletes of the future, he reckons, will be "stoked by chemicals, primed by computers and electrodes, and plunged into a strange world of unprecedented complexity." As the world on more and more athletes will tire of one-dimensional sports and follow the lead of today's triathletes who swim, then bike, then run long distance—all during one continuous event."

He is probably right. But my own hunch is that in the midst of such complexities there will be a paradoxical human yearning for simplicity—for the sponges and aulos; for the truce of ekecheiria; for laurel wreaths and solemn suppers.

### The Long View

## Farewell from the Gloomy Sage

Anthony Harris says goodbye to readers of the Long View before moving to another base for a spell. After some 100 columns, he feels they deserve a change of viewpoint



the daily post was heavy with doomsday circulars from stock traders on both sides of the Atlantic. The Long View, which has at least been fairly contrarian, was something new as well.

History is now repeating Big Bang. The new, fragmented itself, which would lead statisticians to suggest a seasonal adjustment (long familiar as a than the old, cosy, cartellised

domestic affair. The reason is paid rabble, they get extremely nervous when the name is thin—who is to pay the wages? Changes will probably get calmer when the real investors are back from their holidays to provide a bit of ballast.

This is a crude guesswork, though; it will be years before we understand fully the behaviour patterns of the new market, and it is interesting to speculate whether we will be allowed the time. One of the more reliable long cycles in financial history is the from deregulation to deregulation and back. If the market rises a great deal higher (and it could) the subsequent correction is liable to be horrific; and that is when the rules are likely to reappear.

Such people still exist, in the easterly but noisy pits where futures contracts are traded; but in the actual securities markets there are now nothing but dwarfs.

There are still a few operators whose lightest word can move individual stocks (although much fewer since Ivan Boesky's enforced withdrawal). But there are no fund managers like George Ross-Groover, who could change market perceptions for years with a speech or two, no forecasters as influential as Henry Kaufman or Gordon Pepper used to be in the bond markets (although both are still with us).

There are still tipsters, but no gurus; and it takes gurus to turn markets. We may wait in vain for a new one now that the market really is global. A guru for today would have to have the gift of tongues.

Traders of massive substance might have been able to do without these guides but the deregulated markets are increasingly like a rabble. Since they are a very highly

paid rabble, they get extremely nervous when the name is thin—who is to pay the wages? Changes will probably get calmer when the real investors are back from their holidays to provide a bit of ballast.

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## NEI Interim Results 1987

### Highlights from the Chairman's statement

- \* Restructuring on time and within cost—no extraordinaries in 1987;
- \* Order intake up 13% at £373 million—UK exports up 46% to £88 million—overseas companies up 32% to £98 million;
- \* Advanced technology opening up new markets—low emission combustion equipment—new generation military bridging;
- \* Positive growth in Profit performance—up 34% to £14.2 million

Terry Harrison, Chairman  
26th August 1987

## Northern Engineering Industries

Northern Engineering Industries plc  
NEI House, Regent Centre, Newcastle upon Tyne, England NE3 3SB  
Tel: Tyneside 091 284 3191 Telex: 537900 (NEI NCLG)

## A fragile peace

AS THE Bank Holiday loomed, dealers were able to shuffle off further calls on TSB and Rolls-Royce shares. October brings the BP sell-off and rights; come November, there will be Eurotunnel. Already, calculates Shearson Lehman, it is possible to identify a 25.75p to 55p drain on the market during the next two months.

And all that when underwriters and places are being left with bundles of stock anyway. The downturn in London prices spell this death-knell to the hefty WPP rights issue three weeks ago, two-thirds of which ended up with underwriters. Since then, other less

still, the gloomier voices warn that peace may not last.

The coming week sees a barrage of economic pointers—the July trade figures, August's official survey, and the latest CBI survey. It was the May trade figures which triggered the current overheating fears six weeks ago, in turn instigating the market's slide. And although the June batch showed a subsequent improvement, most analysts suspect that any further upside to next Tuesday's news will be limited.

"Poor macro figures" can easily push the market down," argues Warburg Securities, "but a strong set of good figures will be needed to push it up." And "good" reckons the analysts, would have to mean the near-absence of any current account deficit.

The equity supply problem refuses to depart either. Last week, the market suffered only one major paper issue—ITI's £53m placing on the back of its John Crane-Houdaille acquisition. But next month sees

more calls on TSB and Rolls-Royce shares. October brings the BP sell-off and rights; come November, there will be Eurotunnel. Already, calculates Shearson Lehman, it is possible to identify a 25.75p to 55p drain on the market during the next two months.

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### London

audacious acquirors have suffered a similar fate: last week saw less than 1 per cent of Thorn-EMI's £37.1m share placing clawed back by existing shareholders, while Trafalgar House fared only marginally better with a 5 per cent take-up on its £36.6m issue.

In fairness, the experience of these companies plus, on a smaller scale, the likes of Regal, Mount Charlotte, Norton, Norton Optix — has not been universally shared. On Friday, Ratners cruised home in its £120m rights issue, with underwriters asked to pick up just 9 per cent of the stock. More recent fund-raising, too, has been done since the worst of the shake-out, so the likes of TI and Pilkington still stand at a safe premium to placing-side.

But further potential casual-

ties do loom — most notably, FKI Electricals and Blue Arrow. The former's bid for Babcock closes today, and few expect it to fail. Yet despite talk that advisers Rothschilds would support the price, there was only a small amount of purchasing on Wednesday, and by Friday lunch-time FKI had slumped to 167p. That is 15p below the price at which its subsequent £50m cash call will be made. Blue Arrow, meanwhile, has yet to win formally its Manpower bid. But again, by Friday its share price had slid to 160p at which the heavy £837m rights issue will go ahead.

And still bearish voices point to the relative cost of equities against gilt yields. The yield on high coupon longs remained resolutely above the 10 per cent mark for most of last week. So despite the equity market's correction for three years — the yield gap (measured against the return on the 500-Share Index) is now a touch over 7 per cent. That was the pessimists' five-year high.

In short, unless the overheating fears evaporate and the outlook for interest rates underlines a sea-change, few pundits see much scope for a major rally. Many will give thanks if equities merely track sideways.

Perhaps then, it is as well that the heavy corporate reporting period is finally in view; at least the market will have something to divert its attention. This week, the holiday season still hung heavy with the only a clutch of major companies — Hanson Trust, Ladbrooke, Marley, NEI — turning out results.

Third quarter figures from Hanson, the first time the company has produced a quarterly report in line with US tradition, were inevitably thin on detail. But the bottom line, £151m pre-tax for the nine months to end-June, was 71.2 per cent up on the previous year and some £10m of so better than expected. So everyone merrily upgraded the full year total to £750m-£780m, putting the firm on the week at 187.5p

on a fully diluted PE of 18, with all the fun of the Kidder deal yet to come.

Ladbrooke, too, might have expected a more generous response to its 87 per cent interim profits advance (£55.2m pre-tax), combined with a 40 per cent uplift in earnings per share — the shares barely budged at 440p. True, the figures benefited to the tune of £5m from a full six-month contribution from Texas Home-care, against just 10 weeks last time. But the company had plenty of encouraging noises — though no divisional breakdown — to make about all four legs of its business. Analysis suggests that its £55m-Sterling stake stayed at 165p.

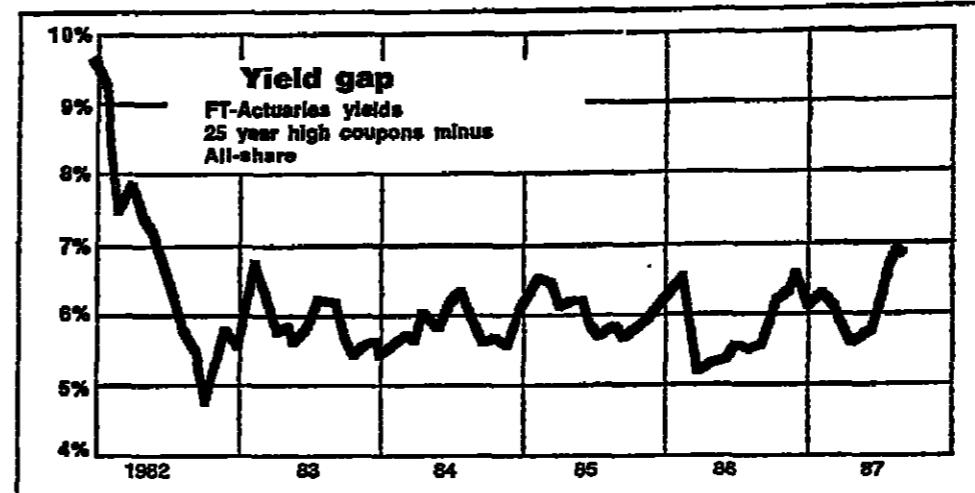
Which left TI with the only major transatlantic deal of the week — the £60m acquisition of mechanical seal-maker, John Crane-Houdaille. TI, which only recently completed the disposal of its bicycle and domestic appliance interests, plans to sell off the US group's various engineering subsidiaries — estimated to fetch at least £190m — and retain the Crane seals business.

The acquisition comes just days after Pleasrama reported a 15 per cent fall in interim figures at £163m pre-tax, with its London casinos taking the blame as high-spending Middle Eastern clients stayed away. With the diversification rationale, with painfully large, the shares stayed at 165p. The market will be watching to see what the new management team can do with the group's assets.

But again, plenty was already expected from the group, and interested in the 94 Hilton International hotels being sold by Allegis adds a touch of nervousness. The company is still flush with rights issue cash but this would not meet the full price. Moreover, the rating is already 15 times prospective for full year earnings.

Elsewhere on the leisure front, there was the rare sight of an all-UK deal — Pleasrama has agreed terms for a £64m merger with President Hotels.

Nikki Tait



### Top 10 on USM keep investors' hopes high

ALTHOUGH THERE ARE 261 stocks trading on the USM, about 20 per cent of its market capitalisation of \$8.5bn is made up of just ten companies.

By far the largest is Mrs Fields, the US cookie group, valued at about £383m, nearly double its nearest rival. Mrs Fields has never been short of press coverage although this has not always worked out to its best advantage — 84 per cent of the shares offered in last year's flotation were left with the underwriters.

Since then the company has disarmed its critics by meeting its ambitious profits forecast, buying La Petite Boulangere from Peperpot and dispelling doubts about its ability to maintain its 10 per cent tax charge.

These few lucky investors who opted for shares last year have been well-rewarded — the price has risen by 75 per cent.

Appropriately enough, the second biggest company on the market is also a foreign-based group with edible products — FFI was a small Dublin-based fruit and vegetable distributor until it acquired Fyffes Group, the British fruit importer best known for its bananas, in May last year.

Since then, the group has announced a 73 per cent jump in full year profits and a 126 per cent rate of profit increase. Fyffes making a full contribution for the first time. The group accordingly has leap from obscurity to a market capitalisation of about £200m, valuing it more highly than either Cannon Street Investments or Parkfield, two much publicised recent graduates to the main market.

Third in the rankings at £161m is Asprey, the goldsmith, jeweller and antique dealer, which specialises in producing one-off items. One bizarre example was a silver gilt replica of a triple-decker toasted egg sandwich with a twist of egg on top. But the company sells enough goods to those with conventional tastes to allow it

### HIGHLIGHTS OF THE WEEK

FT Ordinary Index	Price y'day	Change on week	High	Low	Comments
1,759.8	+32.6	1,926.2	1,320.2	1,291	Cautious rally in thin trade
Amstrad	+17	225	129	129	Chase Manhattan Secs. "buy"
BP	+19	416	338	338	Oil prices rally
British Telecom	+11	337	209	209	First-quarter figs. Sept. 9
Buckley's Brewery	+14	151	131	131	Buckley's increases bid to 185p
Ealing Electro-Optics	+27	291	109	109	Expansion hopes
Enterprise Oil	+16.5	351	181.5	181.5	Bear squeeze/all prices rally
Ferranti	-12	182	98	98	Scouring over cool on defence issues
General Accident	+53	211.5	800	800	BZW "buy" recommendation
Hawker Siddeley	+31	630	446	446	US buying/BZW bid hopes revive
Land Securities	+28	556	338	338	Rising City rents
LASMO	+37	394	161	161	Bid spec./bear squeeze
Magnet	-63	406	242	242	Brokers slash profit estimates
Mersey Dock Units	+84	273	30	30	Dock redevelopment prospects
Moss Bros.	+2	214	580	580	Proposed sale of London HQ
P. & O. Deferred	+45	776	523	523	Interim results scheduled Sept. 9
Royal Insurance	+42	589	423	423	Aussie stake-building operation
Satellite Speakerman	+36	205	54	54	Joint venture with Elders Resources
TI Group	+54	430	242	242	Crane US acquisition
Wellcome	+28	631	232	232	Retroviro competition fears recede

to boost pre-tax profits by 22 per cent last year to £13.5m.

Hovering around the £150m-£160m mark is Dewey Warren, the investment broker which is the UK financial services vehicle of Australian entrepreneur Robert Holmes à Court. The group's shares are now suspended while it makes a two-for-one rights issue, and the value of the company depends on whether investors take the

subscribed last year. The company came to the market just as it was broadening its audience and its advertising profile; the result was profits which outperformed the flotation forecast. TV-am's shares are now close to their all-time high and, at around 365p, well above the 130p flotation price.

Local London Group is the top 10 member which has experienced the most meteoric rise. As recently as last September it joined the USM valued at only £6.8m, but a combination of acquisitions and fast profit growth means that the company is now capitalised at £141m. The group specialises in creating business centres in which small companies rent or lease offices.

Rounding off the top 10 is Thermal Scientific, the furnace, plastics and instrument company, which reported an impressive 73 per cent increase in pre-tax profits and its biggest acquisition to date. The group has been expanding rapidly in the US, which now contributes around half the group's profits.

However, Thermal Scientific, like others before it, might not stay in the USM top 10 for long. It plans to move to the main market "as soon as practicable and appropriate."

The fourth overseas company in the ratings, and valued at

around £113m, is Borland International, the Californian software house which braved a flotation shortly after the troubled Mrs Fields' offering.

After disappointing the market with pre-tax profits of only £4.7m as against £8.7m in the previous year, the company bounced back with first-quarter sales and royalty income up 70 per cent in the present year. Given the record of USM computer companies, investors might be forgiven for steering clear of Borland after its hiccup. But having touched 86p in February, the shares are now trading at around 230p.

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Philip Coggan

### INTEREST RATES: WHAT YOU SHOULD GET FOR YOUR MONEY

	Quoted rate%	Compounded return for taxpayers at 27%	45%	60%	Frequency of payment	Tax (see notes)	Amount invested £	Withdrawals (days)
<b>CLEARING BANK*</b>								
Deposit account	3.70	3.76	2.79	2.02	monthly	1	—	0.7
High interest cheque	6.00	6.37	4.52	3.29	monthly	1	1,000-4,999	0
High interest cheque	6.30	6.49	4.78	3.45	monthly	1	5,000-9,999	0
High interest cheque	6.70	6.91	5.05	3.67	monthly	1	10,000-49,999	0
High interest cheque	7.00	7.23	5.27	3.84	monthly	1	50,000 minimum	0
<b>BUILDING SOCIETY*</b>								
Ordinary share	5.00	5.06	3.81	2.77	half yearly	1	1-250,000	0
High interest access	6.75	6.75	5.09	3.70	yearly	1	500 minimum	0
High interest access	7.00	7.00	5.27	3.84	yearly	1	2,000 minimum	0
High interest access	7.50	7.50	5.65	4.11	yearly	1	5,000 minimum	0
High interest access	7.75	7.75	5.84	4.25	yearly	1	10,000 minimum	0
90-day	7.75	7.90	5.95	4.33	half yearly	1	500-9,999	90
90-day	8.00	8.16	6.15	4.47	half yearly	1	10,000-24,999	90
90-day	8.25	8.42	6.34	4.61	half yearly	1	25,000 minimum	90
<b>NATIONAL SAVINGS</b>								
Investment account	10.00	7.30	5.50	4.00	yearly	2	5-100,000	30
Income bonds	10.50	8.04	6.06	4.41	monthly	2	2,000-100,000	90
Deposit bonds	10.50	7.67	5.78	4.20	yearly	2	100-100,000	90
33rd issue	7.00	7.00						

# No replay of 1929

IS THIS the way the world ends—not with a bang but a whimper? Despite the best-selling predictions of all the siren and doomsayers, it never looked very probable that the great 'bull' market of the 1980s would simply turn into a re-enactment of the speculative bubble of 1929.

It is just possible, in other words, that we will not be informed officially that we have passed the final peak of the bull market by dutiful stockbrokers throwing themselves obligingly out of their office windows.

The followers of conventional wisdom on Wall Street have made it quite clear for over a year now that they will not believe in any long-term market downturn until after they have seen a period of certifiable insanity among investors, at least comparable to the speculative frenzy of the late 1920s. Only then, the Wall Street pundits argue, will the financial system be 'riddled with the sort of "speculative excesses" that are a sure sign not for any authentic market crash.'

On Monday this week, coming on the record of 2,705.50 hit by the Dow Jones Industrial Average, the price of Friday, the New York Times summarised perfectly the overwhelming market sentiment in an article entitled "Dow looks towards 3,000". It said: "Many market-watchers like the disparity of opinion. They point out that one of the surest signs of a market top in the past is universal enthusiasm. They

note that the market is climbing 'a wall of worry'. In effect, they are saying that there is really nothing to worry about as long as there is plenty to worry about."

This week, with the dollar threatening again to go into free fall with the US bond market plumbing its lowest depths since January 1986, and with the equity markets—not only in New York but also in London—showing signs of balking in front of the "wall of

worry," there is one question worth asking about the reassuring contrarian analysis which says that nothing can possibly go wrong as long as it is obviously about to go wrong.

The practical result of this almost universal consensus has been a curious set of beliefs that have, despite their oddity, stood their adherents in very good stead over the past few months.

However high the market went, there was the faith that it could go down only if it first went much higher. However rickety the economic and financial underpinnings of the world-wide market boom, there was the conviction that the world financial system could fall apart only if it first appeared to have regained its strength. However tempting it might have been to sell and

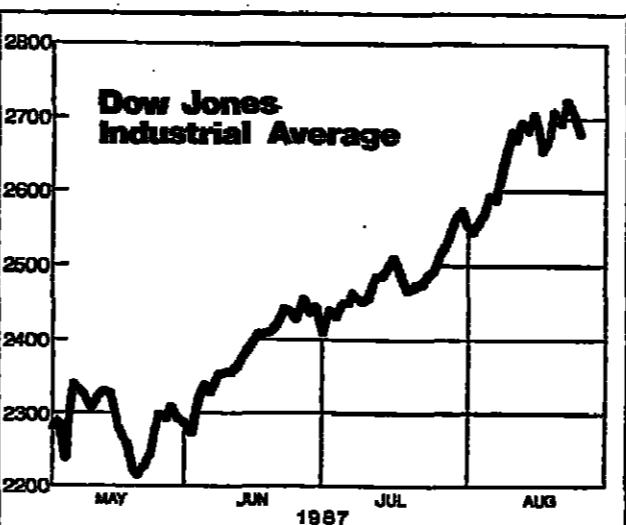
take a profit, there was the confidence that there would be still better opportunities to bail out before the final crash.

Indeed, the more doubts investors and analysts have harboured in their minds about the health of the bull market, the more confident they have felt in their hearts about staying on board.

What does it mean to be a "contrarian" at a time when contrarian thinking is more fashionable on Wall Street than owning a red Porsche? Despite the obviousness, this question seems to have troubled surprisingly few of the contrarian analysts. But is it really possible to argue that the market is successfully outmanoeuvring a "wall of worry," or that the lack of unanimity among investors is a guarantee against speculative excesses when nine out of 10 analysts are pointing to these very factors as reasons for buying stocks?

As George Soros, the manager of the Curacao-based Quantum Fund, and by common consent one of the shrewdest speculators on Wall Street, points out: "That the contrarian view point has become the prevailing bias, I have become a confirmed anti-contrarian."

In other words, there is no reason for investors to dismiss fundamental worries about the course of the economy or the world financial system simply on the grounds that such worries have already been discounted fully by the markets. The markets may, of course, go on rising despite such worries.



Dow Jones Industrial Average

But this could be because the worries are ignored, not discounted.

The most outstanding recent example of the difference between a market discounting a problem and ignoring it was in the currency speculation in favour of the dollar between 1981 and 1985. Everyone in the market knew that the overvaluation of the dollar was undermining its competitiveness and creating unsustainable trade deficits. But this did not imply that the danger was discounted in market prices, as became all too apparent in the collapse of the US currency since February 1985.

It could be, of course, that present worries about the level of the stock market are totally unfounded. There are many positive reasons to believe that the market could yet go higher.

It could be that the US economy can look forward to many more years of steady non-inflationary growth, that the dollar will be successfully steered by central bank intervention, that flows of Japanese investment will continue to swell, and that US interest rates are at or near their peak.

If, on the other hand, there are serious economic problems looming on the horizon, they will not have to come completely out of the blue, and they will not need to cause a slump of 1930s proportions, to blindside the smug contrarians in the markets.

Anatole Kaletsky

## Shares break barrier

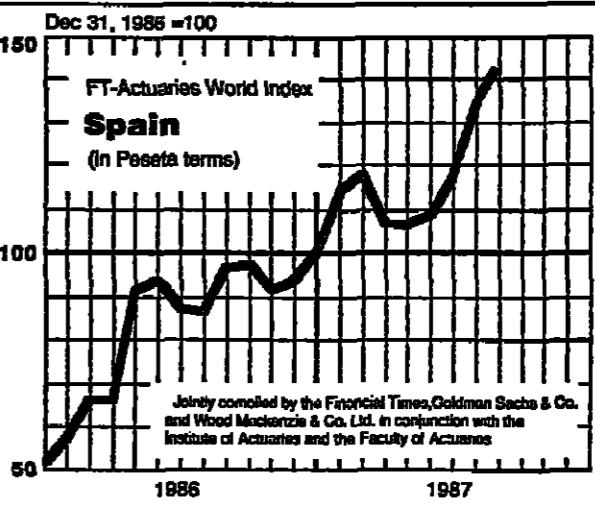
AFTER PROVIDING over-confidence Spanish investors with a lesson in the law of gravity, share prices on the Madrid Bolsa have spent the month of August fluttering up on hot air currents.

The convection effect was sufficient to transport the general index past the 300 barrier on Thursday for the first time, almost exactly a year after it first broke through 200. The week ended at 308.52.

Having started 1987 at 208.51, and having decided against putting the counter back to 100 as in previous years, the market is approaching a 50 per cent increase in eight months.

Like last year, it has so far been enjoying the summer. Key sectors that were left out of the latest upsurge joined it this week: first electricals, then banks.

The volume of share trading has regularly been over the Pta 10bn (50m) a day level which last year was considered quite a wonderful achievement. By the end of July share turnover had already exceeded last year's record total of Pta 1,757bn, which was more than 3.5 times that of 1985. The biggest figure for a single day's trading—Pta 24bn on July 28—would have been six month's worth 10 years ago.



Jointly compiled by the Financial Times, Goldman Sachs & Co. and Wood Mackenzie & Co. Ltd. in conjunction with the Institute of Actuaries and the Faculty of Actuaries

The mood is firm but some analysts believe that the return of foreign investment funds aimed specifically at the Spanish market. The setting-up of a Spanish Growth fund by Dumenil has been followed by the launching of a London-quoted venture, the first Spanish investment trust, by stockbroker Alexander Laing and Crutchley and Lloyd's Bank Fund Management, with Banif, an investment banking arm of Banco Hispano Americano, as adviser. The new specialised fund in the US has just been launched by Alliance Capital Management Corporation.

As it becomes more international, the Spanish market is being pulled into line with the standards and practices of other major centres—and their reforms. The Madrid market has

## Madrid

been made more flexible, with the maximum daily change in share price cut from 5 to 10 per cent in a bid to keep prices in tune with Barcelona's.

Meanwhile, Devlin and his team of craftsmen in Clerkenwell are working hard on the fabulous film egg. It is about five inches high and studded with 1,800 diamonds outside, ranging in colour from cognac at the bottom to an almost-white champagne at the top.

As it revolves it opens out in four sections, the insides of which are lined with another 1,500 diamonds. It discloses a miniature carousel, with each tiny horse again decked out in diamonds. As the carousel begins to revolve, the horses rise and fall reflecting colour from my lights, such as are used in electronics.

"It's a designer's dream to make something as fantastic and frivolous as this," says Devlin with a grin.

David Blackwell

David White

## Brown diamonds polish their image

The mine, based in the remote north of Western Australia, turned to Devlin, an Australian man who came to England in 1984, for advice on how to make the most of its coloured stones.

"Coloured stones have been around for a long time—but not many people are aware of that," he says. "They asked me to look at the pink diamonds—but I fell in love with the cognac."

He admits that at the moment it is not often someone wants a brown diamond. And his initial enthusiastic reaction to the individually cut stones turned to disappointment when he set them in gold.

"They lost their colour," he says. But after a second look, he realised that this very lack of colour was not a fault, but a virtue.

Coloured diamonds, which vary

in colour from a rich, deep cognac to an almost-white champagne, have not hitherto been accorded the prestige shown to diamonds of other colours, which are known as "fancies." These fetch a premium over the

price of whites. According to Andrew Lamont of De Beers Central Selling Organisation—which markets the bulk of the world's diamond output—when a good "fancy" comes on the market it is invariably snapped up by a collector.

Indeed, a rare deep pink diamond—one of the most valuable stones ever found—made the headlines when it was sold by Argyle to a London dealer at the end of last year. The price was not disclosed, but Australian industry experts put a value on it of at least \$400,000 in the retail markets.

Against this background, Devlin was paying about one-third of the price of whites for the brown stones he started to buy in June for his exhibition pieces. But supplies ran out, and he had to change the design of the exhibition centre.

Lamont urges investors to be cautious, however. He believes the value of brown stones will be boosted if a market can be found for them, but feels that it would take a long time to change consumer perceptions of the market.

At the moment, \$100,000 invested in brown stones will not bring the same return as \$100,000 invested in whites.

Now, he says, brown diamonds are fetching the same price as whites.

World retail diamond jewelers have gone from 40m pieces worth \$15.6bn in 1980 to 45m pieces worth \$24.5bn last year, according to De Beers. Argyle hopes that the Champagne Diamond Exhibition, which opens to the public at the Goldsmiths' Hall in London at the beginning of November, will add fuel to the growing market.

Lamont urges investors to be cautious, however. He believes the value of brown stones will be boosted if a market can be found for them, but feels that it would take a long time to change consumer perceptions of the market.

David Blackwell

Chemicals have been attracting strong foreign interest, which has turned increasingly towards industrial stocks. The recent strength of industrials explains the relatively more spectacular performance of the smaller Barcelona market, part of the index. The Barcelona General Index is on the verge of scoring another "double."

David White

# Financial Times Newsletters - vital news, analysis, predictions and inside information simply unavailable elsewhere

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Comics, commentaries and analytical energy coverage twice a month gives this a high profile among those concerned with commercial and technological changes in the world's largest energy market.

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IGR is a news and analysis service for the natural gas and gas liquids industry worldwide. With the aid of essential facts and statistics, it provides an insight into who makes the gas industry tick.

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Country-by-country guides featuring economic forecasts and market opportunities

### INTERNATIONAL TRADE FINANCE

Every two weeks, ITF covers the very latest trade credit and insurance initiatives as they happen, providing expert guidance in this difficult area of business activity.

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Twice monthly, MSM surveys business developments in the Middle East and North Africa with an eye to profits and cost-saving opportunities.

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Published twice monthly in association with the London Chamber of Commerce and Industry, EEM supplies the international business community with a fast and accurate intelligence service from Eastern Europe.

### LATIN AMERICAN MARKETS

Twice monthly, LAM is designed to give those with interests in Latin America a special insight into developments in the region.

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WCR is a weekly review and analysis of trends and developments in the commodities markets worldwide, with special emphasis on trend-spotting and hard news.

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A comprehensive global view of news and trends in every market

### TELECOM MARKETS

TM meets the urgent need for hard news on the latest changes in telecommunications markets around the world.

### ELECTRONIC OFFICE

Designed to serve the users and potential users of automated offices twice a month, EO is a reliable, up-to-date briefing on developments worldwide.

### PERSONAL COMPUTER MARKETS

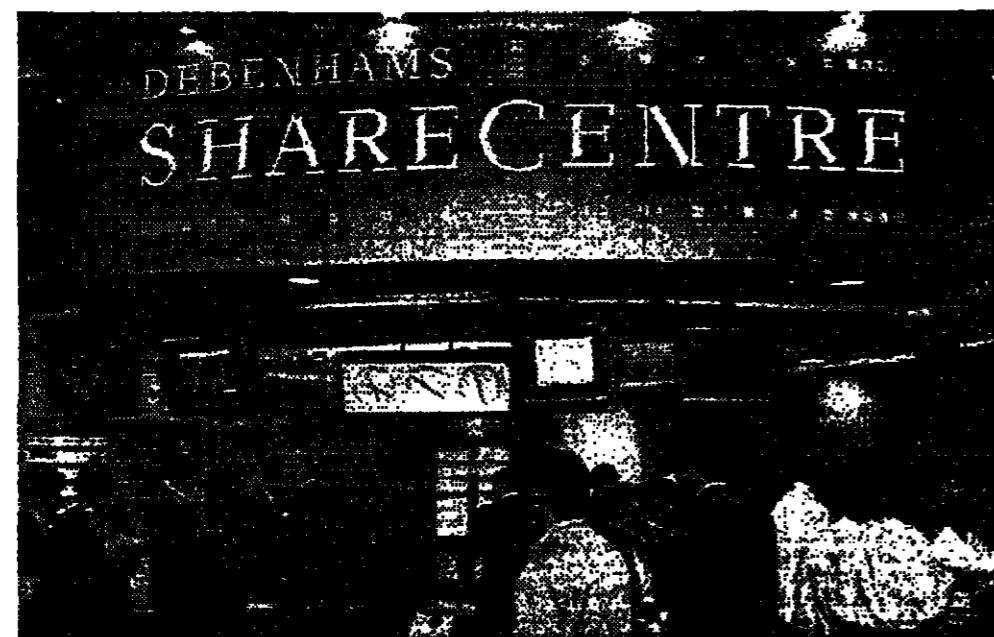
Providing you with valuable news and data you won't find elsewhere, PCM is a twice-monthly overview of the personal computer marketplace.

### AUTOMATED FACTORY

AF will tell you what your competitors are doing and considers the risks and opportunities open to factory management.

### NEW MEDIA MARKETS

## • FINANCE &amp; THE FAMILY •



## Shares in store

DEBENHAMS, the department store chain, is doing its bit to promote the cause of wider share-ownership. This week it opened a Share Centre in its Oxford St, London, store, and another in Bristol — taking over from Quilter Goodison, the stockbroker which had previously been operating them.

Debenhams is aiming to provide a service that is accessible and comprehensible to people whose appetites have been whetted by the Government's privatisation issues but are not

regular investors.

The design of the Oxford St shop is reasonably inviting — important since most people know little about the mechanics of share-dealing. The cost — a minimum commission of £22 — is competitive if not the cheapest available.

On research, though, Debenhams fails to meet its popularising objectives. Its research sheets — supplied by broker Charles Stanley — are certainly simpler than normal brokers' reports. But they will still be

gobbledygook to the vast majority.

They use freely terms like

"p/e ratio," "net div p," "in-

terest," "gross yield per-

cent" — not part of the com-

mon vocabulary. At the same

time, anybody who does under-

stand them is likely to be dis-

appointed by the thinness of the

reasoning given for buying a

a particular share. All the

recommendations are, incident-

ally, to buy.

Hugo Dixon

## TSB's final demand

IF YOU are a TSB shareholder you should act now and pay the second, and final, instalment of 50p per share before the deadline of September 8. Otherwise you are liable to forfeit the shares, which will be allocated on a one-for-10 basis next year.

A demand for the second payment was sent out by the TSB at the end of July, but so far fewer than half of the 2m existing shareholders have paid up.

As with other privatisation issues, one of the attractions of the original offer in September was that only 50p (50p per share) of the total outlay had to be paid immediately, with the other half to follow later. The 3.15m investors who took up the initial shares have subsequently been whittled down to around 2m because of quick profit-taking sales by those not interested in TSB as a long-term holding.

Interim share certificates have been issued to replace the Letters of Acceptance, which are no longer valid for trading purposes. When the second payment due under the original offer has been made, a fully paid share certificate will be sent out around November 25.

Those who have not paid the second instalment by September 8 will, in theory have breached the terms of the

offer and are liable to forfeit their shares. Their original stake of 50p a share will be returned to them.

In practice, however, there is likely to be a period of grace for those shareholders who can give good reasons why they have not paid the second instalment in time.

The most obvious problem is with shareholders who have changed their address since last September. The TSB estimates the number of investors who have moved house during the past year at some 150,000 and might therefore have received the call notice.

Shareholders who have not received the call notice can telephone the TSB Group Inquiry Line on 0272 300 300 or write to the Registrar's Department, Goring-by-Sea, Worthing, West Sussex BN12 6DA.

TEN POUNDS cash for every baby born on September 1 is being offered by Nationwide Anglia to celebrate the birth of the merged societies on that date.

Any parent whose baby is born on September 1 can claim the gift by presenting the child's birth certificate at any one of the new society's 928 branches before October 31.

National & Provincial is offering a two-year Security

in a BonusBuilder account, which pays a tiered rate of interest according to the size of the balance held.

The merged society has total assets of £19.5bn: 5,225m investors and depositors, and £80,000 borrowers. It paves the way for the first link-up between the two rival cash dispenser networks, Matrix and Link. From now on, all cardholders of FlexAccount, formerly a Nationwide account using the Link system, will also be able to use Matrix machines, while AngliaCard holders can now use former Nationwide cash dispensers.

Investment accounts and mortgage facilities, previously offered separately by the two societies, have been incorporated, but the share dealing service offered by Roare Govett is still available at the 50 Anglia branches.

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The bond aimed primarily at small savers because the minimum investment is only £50.

The attraction of the Secur. y Bond is that it guarantees an interest rate of 4 per cent above the society's ordinary share rate to compensate for the fact that you have to lock away your money for two years.

The 4 per cent guarantee means that at present the net interest rate received after deduction of tax is a healthy 9 per cent (12.33 gross). Even if interest rates move up further, as many City analysts are predicting, the 4 per cent premium guaranteed should ensure the rate on your investment is competitive.

The bond is geared to a two-year period and you cannot add to your investment during that time. You can take your money out earlier, but if you do then there is a penalty of the loss of 90 days interest.

## Now it's kiwigoats...



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John Edwards

IS IT a bird? Is it an old English sheepdog? No, it is a "supergoat," a creature which enthusiasts believe could revolutionise the British mohair industry.

Angora International, the company behind it all, is not joking. Britain imports about 99.9 per cent of its mohair fibre, and with farmers looking for new ways of using their property, the hope is that the angora goat will soon be a common sight in England's green and pleasant land.

They may look cuddly, but the goats will have little opportunity for romance. Under a rapid breeding programme, purebred embryos will be implanted in surrogate mothers.

They will then be mated to a male goat to produce the first angora goat.

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## CHESS

Chess at speed—games at half an hour or less per player on the clock—is gaining popularity and interest at a remarkable rate. FIDE, the International Chess Federation, already plans an official world series at what it calls "active chess" time rates, while the Kasparov v Short match on Channel 4 earlier this year attracted audiences of up to 2m.

The most fast chess innovation is the BIS British Speed Championship, played last week at the Forest Lane Hotel, London, on Channel 4 according to the schedule. Some 100 players and 100 seeded competitors in a fast knockout stage, where draws were replayed at a blitz rate of five minutes each on the clock.

With a first prize of £2,000, the event attracted almost all Britain's leading players. Even the qualifying competition included for champions of Australia, Canada and India. Nigel Short, the favourite, lost to a 16-year-old teenager in the final against Speelman. At the end, John Nunn, fresh from his achievement in the interzonal, defeated Hodgson in the final.

Despite the need for almost instant decision-making, speed chess between experts is generally of a high standard, while the ever-present danger of elementary oversights and blunders means that even novices in the audience can enjoy the action.

This week's game is from the BIS between two leading young masters. The winner, Joseph Gallagher, has recently qualified for FIDE's world blitz championship to be played in Saint John, Canada, next year, with the participation of Kasparov and other grandmasters.

White: K. Arkell.  
Black: J. G. Gallagher.  
King's Indian Defence (B35)

## British Speed Championship 1987

1 P-Q4, N-KB3; 2 N-KB5, P-KN5; 3 P-KN5, B-N2; 4 P-P4, B-Q; 5 B-N2, P-Q5; 6 Q-Q, Q-N2; 7 N-B3, P-K4; 8 Q-B2, Q-Q2; 9 R-Q1, P-B3; 10 P-Q3, R-K1; 11 P-P5.

Forcing the reply, for 11 P-K4, 12 B-N2, P-K5; 13 N-KN5, P-K5!

This move and White's next are too passive, allowing a central advance; better is 11 P-K4, 12 P-P5, 13 B-N2, P-K5; 14 P-B4, N-B4; 15 N-B3, B-B4; 16 Q-B1, Q-R1; 17 N-K5, N-N5! 18 N-N5, Q-BN; 19 P-QN4?

Leads to the reply, for 19 N-B3, 20 N-N5, N-Q5!

21 P-N5; 22 Q-N5.

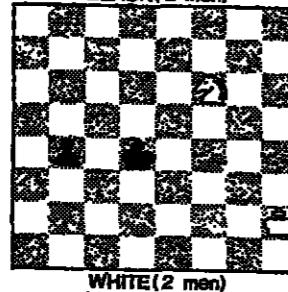
White had planned 22 BxN, but then comes P-K7! 23 B-B3, P-Q ch; 24 BxQ, Q-B ch; 25 B-B1, R-K7 with mate to follow.

22 ... BxN; 23 R-N1, P-K7; 24 Q-K1, B-Q5 ch; 25 Resigns.

For 23 K-R1, Black has a choice of B-B7, B-B6 or Q-K6 with decisive material gain.

## PROBLEM No. 686

BLACK (2 men)



Knight v pawn—what result? Black's pawn is three squares from queening, while White's king is far distant. The problem is to decide if the knight's piroquette can save White—not easy, despite the bare material.

Solution PXIII  
Leonard Barden

## BRIDGE

MY FIRST hand today occurred in a team-of-four event:

North  
N  
♦ A 4 3  
♦ 10 7 5 2  
♦ A 4  
♦ 10 7 6 5 4  
W  
♦ K 12  
♦ 10 5  
♦ 9 6 3  
♦ 7 5 3 2  
4 9 2  
♦ A K Q J 8 2  
S  
A Q 9 8 7 5  
Q A K J  
Q K 9 7  
A K 5 4

South dealt at game to North-South, and opened the bidding with two spades. North replied with two no trumps, East came in with three clubs, and South rebid three diamonds. North gave preference with three spades, and South went on to four.

West led the nine of clubs, East played the knave, and the two ruffed the lead. The declarer proceeded to the ace of diamonds, returned the four to his king, and ruffed the nine with dummy's three of spades.

East over-ruffed, and forced the declarer with another club. Unable to reach dummy, South cashed the ace of spades and followed with the eight. West made two trump tricks and switched to a diamond. This was taken by the queen, but the declarer had to lose a heart trick, and ended up one trick short of contract.

You may say that the diamond overruff was unlucky, but the declarer had a safer lead. I think he had a safer lead.

After ruffing the opening lead, he should cash his ace of spades, and follow with the seven, relying on a 3-2 break in trumps, which is the percentage play. West wins with the knave, and no return from him can cause South any embarrassment. If he is in desperation, lead a diamond, South wins with the king, cashes ace, king of hearts, and concedes a heart to the queen. He can now enter dummy via the ace of diamonds.

E. P. C. Cotter

## THE BEST PENNY SHARE GAMBLERS

Each year, Money Observer's editor John David carries out an exhaustive review of penny shares and selects those that best value for money. If you have followed his annual picks, you will have made handsome gains. The 1986 selections, for instance, included BoralBirr Jewellery and Amalgamated Financial Investments, which went on to record gains of 1,490 and 1,194 per cent respectively. Overall, his 1986 picks produced gains averaging 391 per cent. If you do not want to miss out on his 1987 review, get the 116 page issue of Money Observer, available at leading bookshops now, priced £1.95. But even better value is an annual subscription to Britain's top selling investment monthly. It costs only £16.50 (£27.50 overseas). You will also get two free gifts:

- \* Investment Trusts No. 4
- \* Shareholder Pubs.

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Q24

The Monthly Magazine for Discerning Investors

## • FINANCE &amp; THE FAMILY •

## Leisure park fails to amuse locals

I live in a part of the country designated as "an area of natural beauty" and this is the main reason why most of my neighbours have moved to this part of the world.

A businessman has recently purchased an hotel with an adjoining 60 acres of agricultural land in the designated area and has announced that he intends to develop it as a leisure park, complete with amusement arcades, etc.

As a deterrent to the planning authority would it be possible for all local house owners to

submit a claim for about £2m

for loss of value should

planning consent be given in

the face of almost unanimous

opposition?

We doubt if the course which you mention would prove efficacious. You and your neighbours would do better by employing a planning consultant

to marshal and present your

objection to the proposed de-

velopment, and to create a

publicity campaign involving the

local planning committee's mem-

bers the importance of pro-

perly preserving the state of the

area as it is. Likewise repres-

entations should be made to

English Heritage.

## Cancelled holiday

Last April my wife and I booked and paid for a flight to Australia in June.

Unfortunately my wife was not fit to travel and we cancelled the holiday about three weeks before the departure date. We were assured by the travel agent that there was no problem regarding payment of all insurance and doctor's notes were in order. What steps should I take to recover the £1,700 after a certain date?

You should seek the refund

through your travel agents in

the first instance; but if they do

not give satisfaction apply

direct to the airline. You can-

not claim interest.

substantial and would not fit

your requirement of a simple guide. There are simple guides

(eg in the Oyer Stationery series)

to the administration of an

estate; but once the estate is

vested in trustees as such

rather than as personal repre-

sentatives, the position is one

of pure trust law where a sim-

ple guide is not readily avail-

able. Specific points can be

most easily researched in Halesbury's

Laws of England under the

heading Trusts.

which are in the estate (or

which are available to be

brought into it). Relevant

statutory provisions are: sec-

tion 34 of the Administration of

Estates Act 1925e, section 130

of the Bankruptcy Act 1914 and

section 421 of the Insolvency

Act 1986.

You seem to have achieved the

result which you wanted by a

simple process. We doubt, how-

ever, whether the land

registry should have taken the

course which it did even if it

alleged to treat your letter as a

fresh declaration of trust.

Another applicant might be met

with a more analytical response

requiring the legal position to

be fully resolved. Nevertheless

your own position is satisfac-

tory, as once the restriction

was removed from the

register you will be treated as

being joint tenants, and a pur-

chaser who the register came to

in its present state.

which are in the estate (or

which are available to be

brought into it). Relevant

statutory provisions are: sec-

tion 34 of the Administration of

Estates Act 1925e, section 130

of the Bankruptcy Act 1914 and

section 421 of the Insolvency

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MURDER IN Mecca, a US fleet in action in the Gulf, oil politics interwoven with revolutionary religion... one might reasonably surmise that an insurance salesman's job would be easy in the Arab world these days.

Not that the "Man from the Pro" is likely to be touring the tents and palaces of Arabia. Insurance in the national risk market takes the form of discreet bankers with offshore accounts to catch the flight capital, gold traders offering the supra-currency stability and portability of their metal, and property agency teams carrying sale particulars of real estate in politically-sensitive countries.

Heightened awareness of political risk self-evidently increases the flow of cross-border money; most recently and most consistently out of Hong Kong, out of Taiwan, from parts of Indo-China, from Central and South America, from South Africa and, periodically, from Italy.

Flight capital isn't always "someone else's" either. The exodus of personal cash from the UK ahead of the general election this year also provided offshore funds registered outside the old sterling area with some of their happiest moments.

If these money flow patterns apply generally, the oil-rich families of the Gulf states ought to have been looking with more than usual interest at overseas assets in recent months. Yet there has been no overt evidence of any market increase in the amount of Saudi, Kuwaiti, or UAE funds going into foreign

real estate. In fact, there remains a generally unchallenged assumption that the high spending Arab buyers who were such a force in the US and UK residential markets in the mid-1970s have long since faded from the scene.

The truth seems to lie somewhere between the two extremes.

"There is nothing like a flight out of the Gulf," says John Inge. "When there is trouble, people there do seem to head for home." Inge, of Knight Frank and Rutley, recently returned from a tour of the Gulf states with Michael Field, the agency's new adviser on the Arab world. Neither Inge nor Field sees any exodus in progress. On the other hand, KF&R has the evidence to Middle Eastern buyers in the past few months to prove that Arab buyers have not become just another agent's mirage.

Field is a useful adviser to have on board. A former oil correspondent of the Daily Telegraph and regular correspondent of the American Banker and the Financial Times, he has been an on-the-spot observer of the Arab world for a couple of decades. He has reported on the transition from the oil-rich cash-poor years to the mega-petroleum era, and beyond that to the oil price slump and today's uneasy balance of

emphasis on local development funded from slimmer oil revenues.

Field summarised the Arab buyers' approach to property buying in his mid-1970s book on Middle Eastern finance called, after the staggering scale of the oil "sheikdoms" investment flows of the time, *A Hundred Million Dollars a Day*.

"Property," he wrote, "satisfies traditional instincts, par-

they have mainly themselves to blame."

He cites the example of Arab country house owners selling off parts of their estates for redevelopment, and then finding it hard to sell the remaining house and land.

"It has not mattered to them if their view is spoilt—Arabs are generally much more concerned with indoors than outdoors—and so they have not been

John Inge confirms that there are still plenty of would-be deal brokers around, those smily shady characters who all "know someone."

Every wealthy Arab seems to attract an entourage of would-be intermediaries, and the closer into the inner circle of a Royal family, or the richer the individual, the greater the number of ad hoc "advisors." There can be few residential agencies in London, Paris, New York or on the US West Coast which have not had "Mr Fix-its" who have claimed to have the ear of a sheikh.

"The snag is," as Inge says, "that they are all generally runners who talk in riddles and who, at the end of the day, only appear to act for wealthy clients. Even when they do have a contact, as often as not, we know the actual buyers well ourselves."

Drawing from their experience of dealing with real Arab buyers, KF&R and Field report that Arab attitudes to an ideal home haven't changed that much in the past decade. In their experience, married men from the Gulf States and Saudi would start a house-hunt with an ideal target of a modern building with six to eight bedrooms, either in London, or no more than three-quarters of an hour's drive west from Central London and within striking distance of Heathrow.

Field has found that, with little crime at home, "Arabs find the crime rates in Western societies shocking, and they quickly become much more frightened of crime than Europeans and Americans." So security ranks high on any house-buying checklist.

Internally, the ideal extends to having one large room to use as a "maillie" or "divan," where guests can be received apart from the family's private room. This is easier to achieve in horizontally laid-out houses, so tall, narrow town houses are less popular than ones more on a level. As Field says, "Arabs don't like properties with many flights of stairs."

Arab buyers' attitudes to gardens are equally distinctive. Gardens do tend to be seen as a good thing because of the privacy they offer, and because of the pleasure of having a lush green outlook in contrast to the normally stark landscape of Arabia.

Yet there is little interest among Middle Easterners in country matters, or in British-style gardening. Field puts it bluntly. For most buyers, "the difference between one green thing and another becomes a matter of detail."

Increasingly frequent exceptions to this stereotype persuade KF&R to the view that, "Each year it becomes a little bit more difficult to talk of the 'ideal Arab house' because, slowly, the Arabs are coming to have the same variety of tastes that the English, the Americans and the Europeans have."

## Arab buyers learn caution

Despite troubles in the Gulf, John Brennan finds no overt evidence of a growth in funds going into foreign real estate

ticularly among members of the older generation... property is reassuring and tangible—and the Arabs would generally much prefer to be able to look at a building and say to themselves "it's all mine" than contemplate the significance of their owning a minute proportion of some big public corporation."

Ten years on, and Field makes the point that fewer Arabs today will buy on a whim, and few will buy without advice.

"One of the common refrains of the Gulf Arabs in the past 10 years has been that they have been cheated by greedy and unscrupulous Westerners. "But," says Field, "the fact is that for most of their mistakes

interested in finding out whether it would matter to potential future buyers." Notwithstanding Arab buyers' particular interest in land and buildings, the experience of the past 10 years has proved property to be just as dubious as other investments. Arabs have recently suffered significant losses on speculative Florida developments, in Beirut, and at home, where Field reports that commercial rents have fallen between 30 per cent and 80 per cent in sympathy with the oil price in the past few years. So, "whereas in the 1970s to most Arabs it seemed absurd to pay for anything as intangible as advice," that attitude has changed.

Field is a useful adviser to have on board. A former oil correspondent of the Daily Telegraph and regular correspondent of the American Banker and the Financial Times, he has been an on-the-spot observer of the Arab world for a couple of decades. He has reported on the transition from the oil-rich cash-poor years to the mega-petroleum era, and beyond that to the oil price slump and today's uneasy balance of

risks.

Commenting on the two-tier nature of the central London market now and the commercial market just before its crash. "In the early 1970s, commercial development was all the rage and many inexperienced, previously residential conversion specialists dived into the commercial market with disastrous consequences.

"He does see clear similarities between the residential market now and the commercial market just before its crash. "In the early 1970s, commercial development was all the rage and many inexperienced, previously residential conversion specialists dived into the commercial market with disastrous consequences.

"This time, would it be churl-

ish to note that the same thing is happening the other way around—residential development is all the rage and many inexperienced, previously commercial property specialists who used to look down their noses at flats and housing are having to go at 'rent'?"

No. To Sturgis's mind, it clearly would not be churlish to take a sideways at the new generation of development agents. Not that he is applying a sharp paper headline analysis to the situation; he does not see a disaster looming so much as the need for a cautionary word about undue optimism on price rises.

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TOURISTS in Northern Cyprus are justifiably wary. Not only have they found a green and pleasant land, but they have managed to reach it despite all imagined odds.

Thirteen years have elapsed since the civil war ended and the island was divided into a Greek southern part and a Turkish northern third. Yet the Turkish side is still being ostracised. Holiday brochures overlook it completely or label it "inaccessible to visitors."

The Greek Cypriots running the UK Cyprus Tourist Office call the north a military zone and were any would-be tourist that a holiday there is illegal; that a Turkish Cypriot stamp in your passport bars you forever from Greece; that there are no direct flights to Northern Cyprus, nor hospitals once you get there. "If you fall ill," they elaborate darkly, "you'll be dealt with, perhaps in some hospital or not."

The reality, as I discovered from a recent visit, is altogether brighter. There are direct flights from Heathrow, touching down for an hour in Izmir then landing near Nicosia. Here I spotted my first Turkish soldier. Later in the week I saw some more—four orderly orderlies on guard outside a camp. So the Turkish are here, but not to conquer. There are three modern hospitals in Northern Cyprus and a high ratio of doctors to patients. The British Government does not "officially recognise" the Turkish Republic of Northern Cyprus but British subjects are entitled to go there.

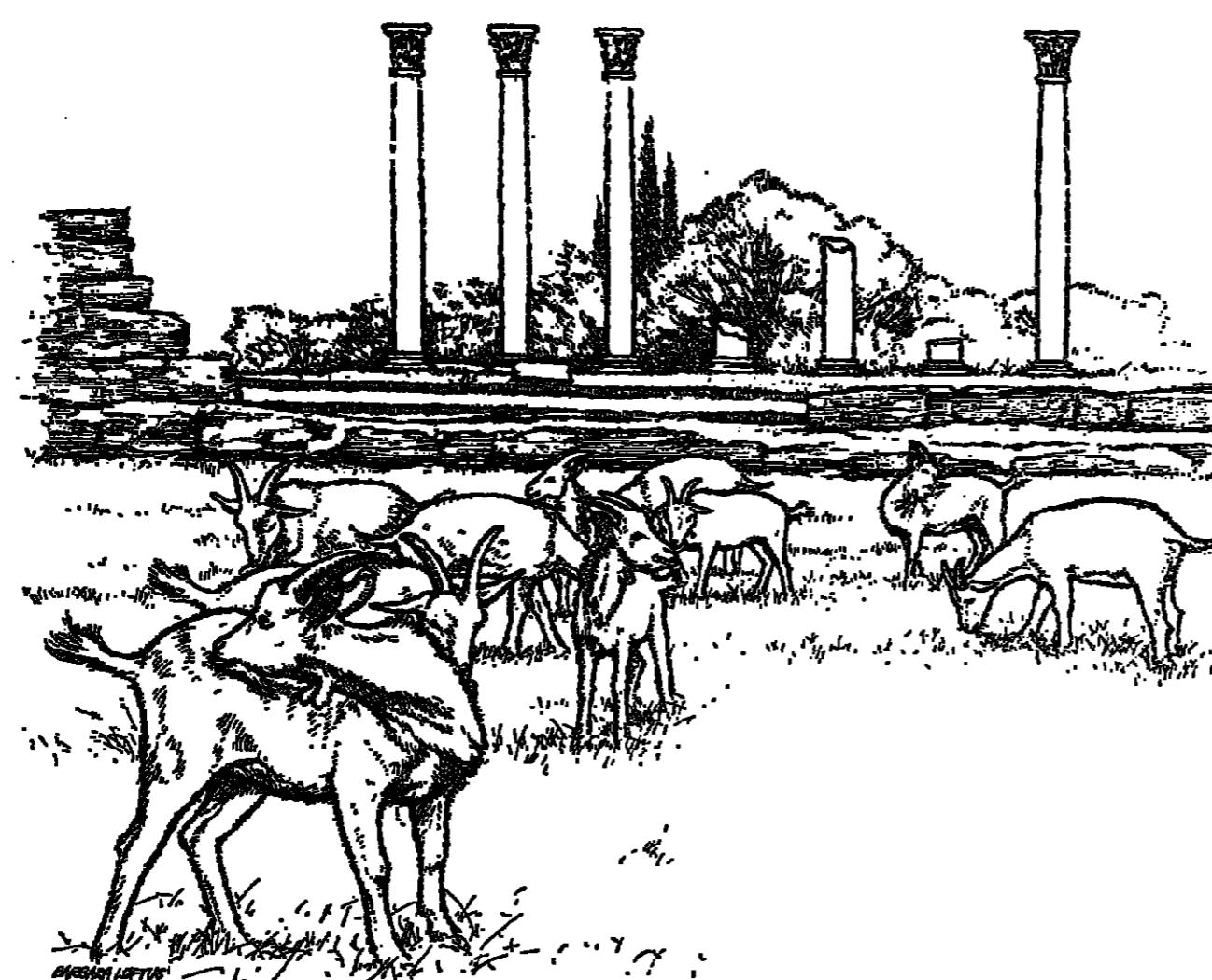
The propaganda is not entirely one-sided. The Turkish Cypriots produce a tourist leaflet which summarises the civil war as a period when the Greeks, Cypriots "committed atrocities on the Turkish population. This is the truth, of course, but not the whole truth.

It is, however, a mere squeak against the clamour of the Greek Cypriots who have the public-hearing status and aid which their neighbours are denied. Still, the Turkish Cypriots have fared better in one respect—they have the best of Cyprus.

The north has lovelier scenery, softer beaches and more impressive monuments than any in the south. Comparable in size to Devon and Cornwall, Northern Cyprus embraces the craggy Five Finger Mountains, rolling lawns of olive trees and citrus groves, and a 200-mile coastline scalloped with sandy bays.

Most of the beaches are undeveloped (and uncrowded) as are the lofty Crusader castles. In the early 1970s these

## The place for idleness



sites were heaving with tourists.

The traffic gone, you can now hear the birds and smell the herbs. Lizards wriggle through the stonework and butterflies flutter in the flowers.

Exploring the island is easy since car hire (at £8 a day) is cheap and driving is on the left, a legacy of British rule.

Most of the inhabitants speak English and seem to like the British.

For residents and tourists alike, a major attraction of Northern Cyprus is the low cost of living. One British widower who has spent his last three holidays there always takes a kitbag of old clothes—a village tailor mends the lot for £1.

Bring tweed and lining and you can have a suit made for £25. A tankful of petrol costs £5. An excellent dinner with wine at one of the continental

restaurants costs £10 while a horseshoe bay is sheltered to

Turkish Cypriot meal costs a

the east by a massive Venetian fortress. Inside you can see the

exquisite Korans in the Whirling Dervish hall, and the

Green Line—the Cypriot equivalent of the Berlin Wall.

For all the political difficulties of Northern Cyprus, its president, Rauf Denktash, is confident the tourists will return. "We had more visitors in '86 than '85," he says. "The word's going round: Northern Cyprus is safe, unspoilt, with a marvellous climate. Our

winters are mild. Sunbathing starts in March. Swimming ends in November. Hence our plan to build small holiday villas to attract elderly people coming for long stays."

We also want to increase our hotel bed capacity from 3,500 to 15,000."

Neither project, however, is likely to be swiftly realised

(French Gothic cathedral), the

Turkish bazaar and inn; the

exquisite Korans in the Whirling

Dervish hall, and the

Green Line—the Cypriot equivalent of the Berlin Wall.

since there are not enough customers to fill the 25 existing hotels; nor funds to build new ones; nor carriers for an influx of tourists. It could take decades before the cold shoulder turns.

Meanwhile, Northern Cyprus is dealing with the more immediate concerns of tourists. Some of the hotels have peeling paintwork, faded deckchairs, mouldy pedalo beached on seaweed and litter. The hoteliers are being urged to spruce up their premises.

Niyazi, gregarious manager of the Deniz Kisi Hotel, has already done his bit. From clean (though plain) bedrooms, his guests look down over a sheltered terrace and gardens of frangipani to a sweep of pure pale sand.

It was here that I floated into snorkellers John and Ivy Tyrer, who regularly holiday in Northern Cyprus. They return, above all, for the people

"—" cold, kind and so touchingly gratified to see you," John recalled, arriving at immigration the previous day. The officer had offered, as usual, to stamp separate pieces of paper rather than the Tyrers' passports, just in case there should still be problems with Greece.

The Tyrers, though, had already decided to be properly stamped in. "We felt ashamed coming to North Cyprus, enjoying it yet not being prepared to acknowledge it. Stamp the passports," we said, "and if the Greeks don't want what's their loss, not ours." The officer beamed. With a great flourish he stamped the books, handed them back, and thanked us.

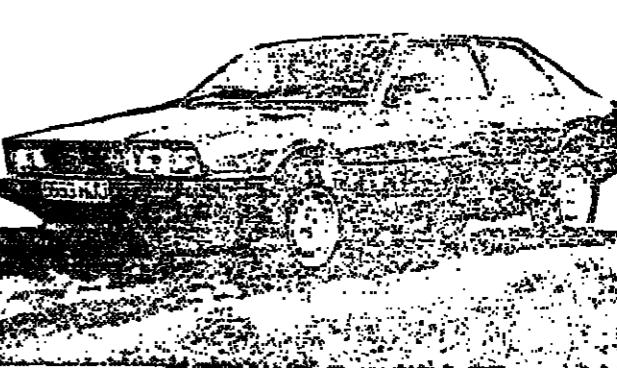
John's eyes looked rather moist. It could have been the sea.

CARS, some people keep telling me, have no character right. For most of us, total reliability, comfort, quiet, reasonable economy, an affordable price and a realistic retained value when trade-in time comes are the real priorities.

What, then, can members of the minority, which puts individuality above more mundane considerations, do when choosing a car? They may well afford—or persuade their finance directors to authorise the purchase of—one of three Italian cars I have just been sampling.

• North Cyprus Holidays (08926 64242) organises half-board packages at the Deniz Kisi Hotel. A fortnight with flights and insurance costs £445 in winter, £562 in summer. For details on other direct-self tour operators, contact the North Cyprus Tourist Office, 23 Cockspur Street, London, SW1Y 5RN (01-839 4577). North Cyprus is served by Cyprus Turkish Airlines (01-836 4651) and Turkish Airlines (01-499 9247).

Other UK tour operators handling Northern Cyprus include Metak (0289-5961), Steep (629-2879), Turquoise Holidays (01-59508), North Cyprus Holidays (08926-54242), Sunquest (749-5911), Celebrity Holidays (734-4386), CTI Holidays (930-4853), Regent Holidays (053-864212).



The Maserati Biturbo... superb engine

## Maserati's lost charm

Stuart Marshall feels that the Biturbo's appeal lies not in the outdated exterior but under the bonnet

allowances must be made for some wear and tear. But it had a noisy final drive, an underbonnet screech (the power steering drive belt?) and a handbrake so inefficient I doubt that it was legal.

How could I pay around £25,000 for a Biturbo when I could get similar performance and better equipment from, say, a Toyota Celica GT at little more than half the price? I would not.

Even a Jaguar XJS 3.6 is cheaper at £21,500 and a turbocharged Audi Quattro coupe with all-wheel drive only a little more at £28,650.

I suppose I do not set much store by character. For me, Maserati used to be a great car-maker, but no longer. Much the same could have been said of Alfa Romeo, but it has touched bottom and the only way it can now go (aided by Fiat's billions) is up.

The large, front-wheel driven Type 164 which makes its debut at Frankfurt in two weeks will, I am convinced, put Alfa back among BMW, Mercedes and Rover in the business car class when it arrives in the UK mid-1988. Meanwhile, Alfa's UK importer says the slide which took sales down to only 2,200 cars last year has been halted and that product-led revival will start next year.

Two of the cars that will hold the fort until new models come along are the 33 and the 75. The 33 (a development of the front-wheel driven boxer-engined Alfased) takes 65 per cent of UK sales. A new version of the Sportwagon, has been introduced for Britain.

In effect, it is a better-finished version of the 4 x 4 estate car that made a brief and commercially unsuccessful appearance in the UK a couple of years ago, but it has independently suspended, non-driven rear wheels instead of selectable four-wheel drive, and a non-independent back axle.

Alfa Romeo (GB) thinks the Sportwagon will appeal to hot hatchback drivers who need more load space but will not have a conventional estate car which it lacks excitement. With a 1.7-litre, 115-horsepower engine, it is said to be good for 120 mph (193 km/h).

At low speeds the engine throb like jungle drums, the steering cries out for power assistance and the gear shift is unpleasant. Everything changes as speed rises. On the open road—and especially motorway—the Sportwagon goes really well, the steering lightens and sharpens, and the gearshift responds quite silkily to a fast, firm hand.

The load space is large—with 36 wine bottles laid flat, there was ample room left for some bargain French beer—but a sill as high as you would find in many a saloon car makes it awkward to hump heavy things into the vehicle. The Sportwagon costs £9,500 to £9,969.

The V6 version of the V6 model with additional aerodynamic aids that attract some buyers as much as they repel me.

Next week Alfa Romeo (GB) will announce the arrival of right-hand drive versions of the 75 sporting executive saloon with two-litre Twin Spark and three-litre V6. Fuel-injected engines as shown at Geneva last March, I have sampled them: the two-litre appealed particularly for its blend of spaciousness, performance and refinement, ride comfort and excellent handling.

Prices are confidential until Wednesday but any user-chooser wanting a car with character in the Sierra Ghia, Cavalier Sri or Montego Vanden Plas EFi brackets might do well to wait.

## Country Property

**Jackson-Stops & Staff**



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## DIVERSIONS

# The twisted life of Byron

The FT's William St Clair makes a discovery: Thomas Moore abused his trust when writing his celebrated biography of the great poet

THOMAS MOORE'S life of Byron is one of the great biographies of the 19th century. When news of the poet's death reached England in 1824, there was a flood of books. Publishers commissioned hacks to compile biographies with scissors and paste from old press cuttings. A dozen friends and acquaintances rushed out their reminiscences, some audacious, others apologetic, a few spiteful. But Moore's biography, work, which appeared in two large volumes in 1830 and 1831, swept them all away. It was to remain the standard life until deep into the 20th century, the main source for hundreds of popular versions which have carried Byron and Byronism round the world.

Moore's success was well deserved. He was a careful and thorough researcher. Resisting pressures to get the book out before he was ready, he took trouble to interview Byron's friends and to borrow and copy as many original documents as he could find. His narrative was straightforward and fair, and he did not shirk difficult issues. The result was a fuller and more sympathetic picture of the poet than anyone had previously imagined.

Moore left Byron speak for himself. He printed no fewer than 561 of Byron's letters, and the text, although lengthy, is a series of bridge-passages between them. "Mr Moore never thrusts himself between Lord Byron and his public," wrote Macaulay. "With the strongest temptations to egotism, he has said no more about himself than the subject absolutely requires." The title of the book is modesty itself - *Letters and Journals of Lord Byron with Notices of his Life*.

TO THOMAS MOORE  
I  
My boat is on the shore,  
And my bark is on the sea;  
But, before I go, Tom Moore,  
Here's a double health to thee!

II  
Here's a sigh to those who love me,  
And a smile to those who hate me;  
And, whatever sky's above me,  
Here's a heart for every fate.

There is, however, one big exception. The originals of the 188 letters which Byron wrote to Moore himself have never been found. Since Byron had provisionally asked Moore to be his biographer, and wrote to him often from Italy, this series of letters has an importance far beyond its numbers. Efforts have been made to track them on several occasions. After Moore's death his papers

passed to Lord John Russell; but Bertrand Russell, who inherited from him, found nothing.

Nor are they at Longmans, the publisher, even though the manuscript of Moore's own work was discovered there a few years ago. Hope that they will still turn up is now hard to sustain. It seems certain that they were destroyed in the 19th century, perhaps by Moore himself. They are therefore known only from the abbreviated and asterisked versions printed in Moore's biography of 1830 and 1831.

One escaped. The original of Byron's letter to Moore of March 4 1824, written from Missoni, shortly before his death, is in the Huntington Library, California. Like the lame boy left behind by the Pied Piper, it is the only witness surviving from the tragedy. How it strayed from the others is not known. Perhaps it was lent and not returned, or it might have been given as a gift to some friend who begged a memento of the poet, or as a thankyou present for help with the book.

Comparing this letter with the version printed in Moore's book reveals that Moore signed the letter "Ever and truly yours". Moore printed "Ever and affectionately yours". It is a small point, but it gives weight to a suspicion that hung over Moore's book at the time of publication. Not everybody shared the view that the author had been so modest. Some of Byron's closest friends, such as John Cam Hobhouse, without being able to explain why, had an uneasy feeling that Moore had exaggerated his own place in the Byron legend and diminished the warmth of Byron's respect.

Now there is more. In 1855, I bought a lady's scrapbook in a London bookshop. It is an attractive volume, typical Regency crimson morocco and gilt. The paper is watermarked 1823 and 1824 and the book was presumably begun shortly after that, although there are entries for the 1830s and perhaps later. The owner had written his name on the first page: "Mrs Austen, Embury".

Such scrapbooks are common. What gives this one its

special interest is the last entry. It is a transcription of one of Byron's best letters to Thomas Moore and it needs to be given in full.

La Mira, Venice, July 10th, 1817

My dear Moore,

Murray the Mokuma of booksellers has contrived to send me extracts from Lalla Rookh by the post - they are taken from some Magazine and contain a short outline and quotations from the two first poems - I am very much delighted with what is before me - and very thirsty for the rest. You have caught the colours as if you had been in the Rainbow - and the tone of the East is perfectly preserved - so that Iderlin and its author must be somewhat in the background, and learn that it requires something more than to have been upon the launch of a Dromedary to compose a good Oriental Story.

He went sneaking to the Police, but a Soldier who had seen the matter and thought me right went and counter-attacked him, so that he had to retire and cheap too - I wish I had hit him harder.

Monte Lewis is here - how pleased he is to be a very good fellow and to much younger - So is Sam - So is everybody - and amongst the rest yours -

shouted in an unseemly way to frighten my Palfrey - I wheeled round, rode up to the window and asked what he meant - he grinned and said some foolery, which produced him an immediate slap in his face to his utter discomfiture. Much blasphemy ensued and some menace which I stopped by dismounting and opening the carriage door and intimating an intention of mending the road with his immediate remains if he did not hold his tongue - He held it.

He went sneaking to the Police, but a Soldier who had seen the matter and thought me right went and counter-attacked him, so that he had to retire and cheap too - I wish I had hit him harder.

Monte Lewis is here - how pleased he is to be a very good fellow and to much younger - So is Sam - So is everybody - and amongst the rest yours -

Byron

I suspect you have written a excellent letter and Moore made use of it in his biography. But Mrs Austen did not copy it from Moore's book. Her version contains sentences not in Moore's, notably those beginning: "I can better judge . . ." and "He went sneaking . . ." with the splendidly Byronic word "counter-attacked." The mention of Iderlin (a poem by Gally Knight) is new - although it had been guessed - and so is the reference to the Companions of Rogers. These words of Lord Byron are all published here for the first time.

There are other differences, and the punctuation and capitalisation are both more typical of Byron's manuscripts than of Moore's edited versions. Mrs Austen copied the letter either from the original or from a copy of the original. We therefore have a source for which Byron actually wrote which is independent of - and superior to - the Moore version. We also have an independent check on his editing methods.

Moore was drastic. Comparing Mrs Austen's version with mine, I find many differences. Moore has modified Byron's story about his fight with his coachman, which does not show him in particularly favourable light. The meaning of the phrase "and cheap too," which Moore did not print, is not



Byron aged 19: a painting by G. Sanders

clear: but Byron might be boasting - perhaps ironically - that he did not have to pay a high price to bribe his witness. There is an in-joke about Samuel Rogers which Moore has removed.

As in the Huntington letter, Moore has also upgraded the warmth of Byron's greeting. "Amongst the rest, you" is now "amongst the rest, you".

Most surprising of all, it seems, is that Byron might have charged the price of his book from Persia. "Persia" is reported to have written about Moore's poem. "What think you of Manfred?" he is alleged to have added as a postscript.

Most surprising of all, it seems, is that Mrs Austen's text is to be relied

upon. Mrs Austen has broken into the flow of the letter to include one of Byron's poems, *My Boat*.

It is on the Shore, which was undoubtedly addressed to Moore but not, it would seem, sent to him with this letter. That poem was published for the first time in Moore's biography as part of the letter, thereafter ensuring that it would forever be associated with his name.

And Moore has introduced a suggestive passage about being with a black-eyed Venetian girl which is not in Mrs Austen's

version and has evidently been added by himself to bring out the full story.

Finally, what of Mrs Austen? Embury is near Wimborne in Dorset, not far from Southampton, and it is not improbable that she was a remote member of Jane Austen's family, many of whom lived in that area. Mrs Austen's scrapbook bears other indications that she had a special interest in Thomas Moore and that she might have known him personally.

If Moore did not himself show her the letter, she evidently shared a friend who had been given an opportunity to admire it and who took a copy. If it was vanity which led Moore to exaggerate his friendship with Byron, it was the same vanity which has allowed his lapse to be brought to light.

Gardening: Arthur Hellyer applauds two sharing societies while Robin Lane Fox urges selective planting for late summer

## North meets south

THE ANNOUNCEMENT this week that many of the members' facilities of the Royal Horticultural Society and the Northern Horticultural Society are to be shared is good news for all gardeners.

A frequent criticism of the RHS is that, although it is a national society, most of its activities take place in London and its 300-acre garden at Wisley in Surrey. Members of the Northern Counties is set, benefit far more than those farther away who must rely for information mainly on the society's publications.

Various suggestions have been made to overcome this difficulty, including the possibility of a different joint subscription basis on which members live. It has also been suggested that some of the shows or plant trials held by the RHS should be away from London or Wisley, or that additional gardens might be run by the society in other parts of the country.

A start was made earlier this year when Lady Anne Palmer generously gave her fine garden at Rosemoor, Great Torrington, North Devon, to the RHS. Transfer of ownership will not take effect until next year but the ready acceptance by the

society's council proved its willingness to be adventurous when the chance arose.

Harlow Car was always intended for northern gardeners and was, at least in part, a reaction against the southern bias of Wisley. It was intended to demonstrate just what would grow in the north and what would not. The irony is that over the years there is very little difference to report.

The temperature variation in the British Isles, as it affects plants, is much more a west-east matter than a north-south one, although light intensity does also affect the flowering of some. But for this to become critical, I think it is necessary to move a good deal further north than Harrogate. Perhaps the next RHS move should be to seek a garden, or a share of one, in Scotland.

The suggestion that joint plant trials might be held is particularly welcome, because it would give an opportunity to indicate that the RHS has rejected the Ridings Committee recommendation that trials should be abandoned in favour of demonstration plots.

The main shortcomings of trials now are that they do not represent fully all the plants available and assess only those that are grown in one environment. Jointly-held trials would



increase the catchment of varieties and demonstrate their behaviour in two environments.

A third site in Scotland would be the next logical step, but would probably be too expensive to consider at the moment. The beauty of the Harlow Car proposal is that excellent trials have been a feature there for many years and so little, if any, extra cost would be imposed on either society.

Joint seed distribution is also valuable since Harlow Car, like Wisley, has always excelled at this and it is a fine means of assessing potential distribution for many good plants that are not yet commercially viable.

Neither seedmen nor nurseries need feel in the least threatened by such an extension since all experience shows that once plants become familiar and are seen to be good, a commercial supply becomes necessary and profitable.

THIS weekend, the place to be in the sun is Brighton. The hub of the Cosmopolitan is not, for once, *Forbidden Planet*, situated in W1 but selling an annual 30,000 yarns set in the Milky Way. Nor is *Andromeda Books*, the shop based not in the city which is, in interstellar terms, even more out of the way, Birmingham. Nor is *Dark Tales* and *Golden-Eyes*, largely because this Soho bookshop, having fared briefly with the energy of a supernova some years ago, crashed in on itself and is now a financial Black Hole.

No, it is Brighton which has the gravitational pull for the *folly with stars in their eyes*. *Conspiracy '87* is the 45th World Science Fiction Convention, and the site to be present at if you have seen the future in your mind's eye. The *Worldcon* roams about the globe every year, and has now touched down in Britain to make this our largest sci-fi gathering.

As anyone, or anything, in the solar system will agree, a "Worldcon" is a temporary Disneyland for science fiction enthusiasts" and is inhabited by all known life forms, from those who like dressing up as Dr Who, complete with funny scarves, to those who like dressing up as Dr Spock, complete with funny ears. Some where between the two comes Brian Aldiss, who dresses up as a novelist living in London and acts over the weekend as

settling into orbit round guest speakers like novelist Doris Lessing, the *World Science Fiction Convention* could easily have split under centrifugal force. That scenario of disaster is in fact light years away, thanks to the loyalty of the readers who keep coming, dressing up as aliens and voting for the Hugo Awards (like Oscars, but futuristic).

In the Fifties," he said, "there were only a couple of hundred at the conventions and there was a feeling of a persecuted minority." Later, as interest built up, the whole enterprise could have gone critical. Instead of 5,000 fans

of the head of the Creature from the Black Lagoon, the cape worn by *Bela Lugosi* as Dracula, and the only surviving model of King Kong, like many enthusiasts, he once produced a "fanzine" and circulated it to the like-minded; *Conspiracy '87* includes a room set aside for these publications, some of them with circulations so minuscule that it takes a mad bonfire with an electric microscope to detect them at all.

Technology is what draws some of the fans, who prefer "hard" science fiction, so called not because it uses long words (though it may do) but because of its emphasis on hardware. Catch them in the computer room, at the convention. Others turn to the adventure side of the genre, and are more likely to be found in the Dungeons and Dragons role-playing room, or the chamber set aside as an Alternative Universe where consenting adults dress up as their favourite characters from forthcoming comic books.

At the end of the holiday weekend, they disappear into their individual black lagoons and forbidden planets which they call home. Many of them will re-materialise next weekend in Birmingham for a similar convention, this one concerned with pure fantasy.

If Aldiss's theory about time being in reverse is correct, last weekend they will re-materialise in Birmingham. Jonathan Sale

## Make the most of August

ENGLISH GARDENS which open to the public have never been more admired and visited, but what happens to them when the summer is slipping by? To judge from the lists of gardens open, they can visitors and live on their memories.

They cannot all be following my bad example and turning their lawns into swimming-pools. I suspect that they are spraying the remains of their old-fashioned roses. Often, these roses were the main reason why a garden was created, a good excuse for a weekend. By late August, they have nothing to show for their toil and so the interest moves northwards where the roses are later, and there are white-flowered *Euphorbia* blooming before Scotland's autumn gentians.

The effects of the rose season confronted me on a recent day. To take my mind off pool construction, I headed westwards to a garden which had been nothing to show for them all summer, and so the interest moves northwards where the roses are later, and there are white-flowered *Euphorbia* blooming before Scotland's autumn gentians.

The roses have just gone over, they warned me at the gate. I dare say the roses had been wonderful, but there has to be more to a "new Sissinghurst" than musk roses in long lines

than musk roses in long lines. Interestingly, the place lacked that touch of imagination and genius which marks out a true garden, however small. The herbaceous planting lacked flair; lines of lavender and ladies' mantle made a predictable postscript to the rose season, and the plants on sale in the nursery had been bought in from wholesalers.

To make better use of August, you need to plant immediately, but swiftly and with pinching-back. I believe that this is the neglected art of good flower-planting. Gardeners practise it on silver-leaved plants when they hate their flowers, but do not think of trying it on plants whose flowers they like. In the past three years, we have pinched out young growth in early May and stopped various phloxes, petunias, verbascums, several campanulas and the pale yellow daisy-flowered *Anthemis* *Warragabe*, of which I am very fond.

If necessary, we stop them again in late May and hold up their flowers for several weeks, giving an unexpected range to the border from August onwards. Stopping prevents plants from needing staking and appears not to upset them. You also need to plant selectively. It is nonsense to say that August is a month of crude yellows. White and blue agapanthus, brown-purple *Acanthus*, pink and white red crocosmias, the wonderful red crocosmias and the admirable blues and grey perovskias set quite a

different tone. What is so crude about yellow, anyway? My secret weapon in August is the marvellous *Lily Henryi*, an orange-yellow reflexed lily which will grow to six feet and persist for years without disease or difficulty, even on lime soil. It is a superb cheap substitute in gaps where the earlier flowering-squad have gone out of play.

Except in rose gardens, there are also the shapes and colours of annuals. Christopher Lloyd has always been an ingenious user of them and his new book helps us to see how they can be extended throughout the year.

During July, he is bedding fully-grown marigolds into his borders to keep up the display, having found that they move very well as big plants. Perhaps they do, but I would not want marigolds. Whatever you choose, it is the bedding that is bedding out does not need a single week's flurry in early August. Even the seed-packets tell us all to sow at intervals, and bed out in sequence in order to prolong the season. I wonder how many people obey the advice.

Where, after all, are the open private gardens which list annuals as a main attraction and open for visitors after July? There are almost none, perhaps because the over-heated annuals in public parks and small front gardens have discredited the idea. Shrub roses may be easier, but they do reduce the English garden to a short, romantic

garden in August should

be an oasis . . . the feeling of

autumn will have crept in at some stage and I like that . . .

To enjoy this oasis, you must be quick to clear out the debris in earlier summer months. From June onwards, I start to cut back ruthlessly, not merely dead-heading lupins and so forth, but shearing bundles of campion, day lilies, ladies' mantle and almost everything that flowers in May.

I am also experimenting with pinching-back. I believe that this is the neglected art of good flower-planting. Gardeners practise it on silver-leaved plants when they hate their flowers like they like. In the past three years, we have pinched out young growth in early May and stopped various phloxes, petunias, verbascums, several campanulas and the pale yellow daisy-flowered *Anthemis* *Warragabe*, of which I am very fond.

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# Classics that stand the test of time...

CLASSICS are riding high these days. I remember well when it was the new, the different, the up-to-the-minute that tended to grab the headlines. Today, happily, newness for the sake of it is out. Old-fashioned qualities are in—nostalgia for a mythical golden age is teaching a new generation to look for fine materials, attention to detail, and for the kind of intrinsic honesty that lasts and lasts. From shoes to kitchen equipment, from the implements we eat with to the floors on which we tread, quality is increasingly the name of the game. So this week there is nothing new and different—just all-time classics that have stood the test of time. Many of them have lasted 100 years or more. All have survived for at least half a century and all should still be running strong for many decades to come. Some of the designs shown here will be familiar to many readers, others less so. But if you have ever wondered where and how to buy them, read on...

## A

• LOUIS CARTIER is generally credited with the invention of the wristwatch. He was at the height of his creative powers in the 20th century decade, bringing with it a host of exciting inventions.

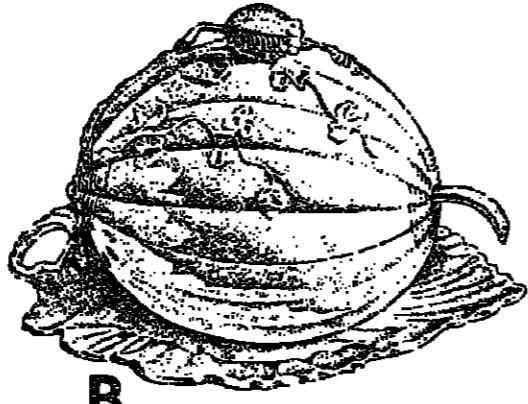
He created the wristwatch for his air-pilot friend, Alberto Santos-Dumont, so that he would no longer have to fumble in his pocket for his watch while negotiating the perils of the air—glance at his wrist would tell him the time.

It was on this wristwatch that Santos-Dumont was able to check that, on November 12 1907, he took the world record for a 220-metres flight, achieved in just 21 seconds. Today you too can have a watch just like his—no, not the famous round Santos watch with the steel strap, which adorns more bronzed jet-set wrists than any other model.

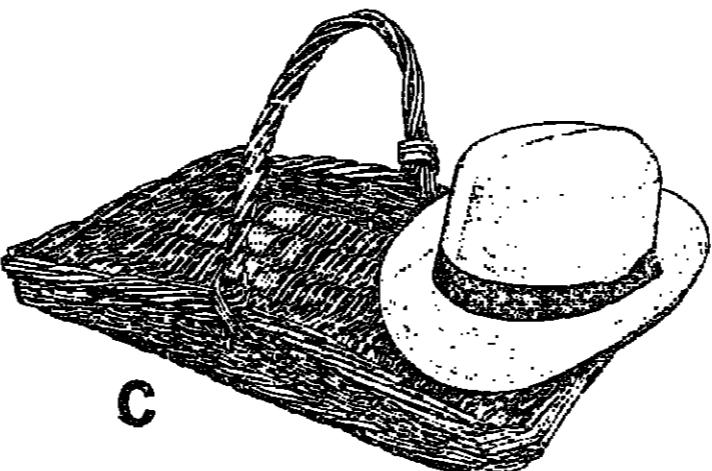
The present classic of the original Santos-Dumont is square; it sports an air of solid Edwardian quality without the more vulgar overtones of the later model. It is a true classic; a copy of that original gift, and still as desirable, as finely proportioned. It has a plain leather strap and some elegant gold screws. At £2,080 it certainly isn't cheap, but it is, indubitably, built to last.



A



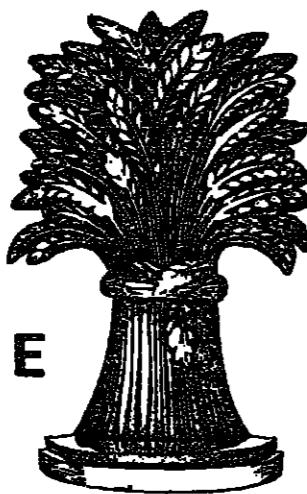
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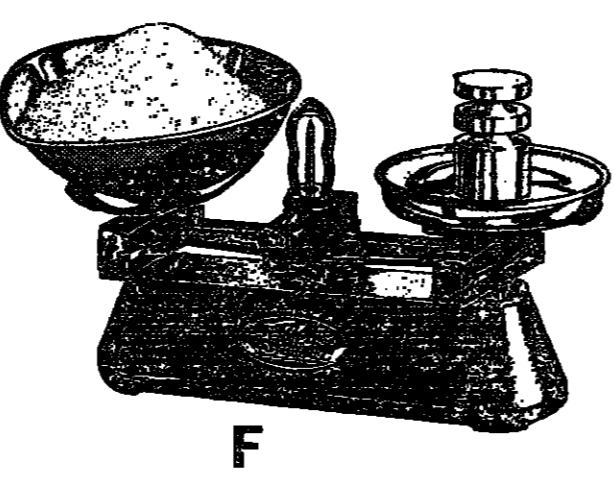
C



D



E



F



H



Lucia  
van der  
Post

Guerlain today tends to wrap the birth of this scent in a cloud of romantic history, surrounding it with overtones of a tragic doomed love. (Aime, it appears, fell in love with an English girl while on family business in the UK, but her parents prevented her leaving home.)

Jicky marked, it seems, a new age of perfume-making: it was the first time that synthetic oils have been used in such a way, and it used a new process just developed by some French chemists of extracting floral essences by using volatile solvents.

The perfume comes in three sizes: 4 oz (£29.50), 2 oz (£16.50) and 1 oz (£7.50).

On the right is Penhaligon's Hamman Bouquet, first devised by William Henry Penhaligon in 1872. Born in Penzance in 1841, he became one of the most fashionable barbers of his time, clipping the royal tonsures and creating a variety of perfumes, toilet waters and pomades.

Hamman Bouquet (Hamman is Arabic for bath) is a blend of Eastern rose, English lavender and French jasmine.

30 ml size for £2.50 (p+p £1). It can be found at all Penhaligon shops: 41 Wellington Street, London WC2; 28 Brook Street, London W1; 69 Burlington Arcade, London W1; 69 Moorgate, London EC2; and 4 Knights' Arcade, London SW1.

James Ferguson

H

Covent Garden Kitchen Supplies, 3 North Row, The Market, Covent Garden, London WC2.

good old Imperial measures still rule the day.

There is a heavy cast-iron base, a solid brass pan, and the weights themselves are made of solid brass. They may not be so easy and convenient as modern lightweight measuring scales, but my goodness, they are a joy to look at.

The scales are £11.55 (p+p £5) from Covent Garden Kitchen Supplies, 3 North Row, The Market, Covent Garden, London WC2.

30 ml size for £2.50 (p+p £1). It can be found at all Penhaligon shops: 41 Wellington Street, London WC2; 28 Brook Street, London W1; 69 Burlington Arcade, London W1; 69 Moorgate, London EC2; and 4 Knights' Arcade, London SW1.

• ARTHUR SANDERSON first began producing wallpapers for Morris & Co in 1930. In 1940, when Morris & Co went into liquidation, Sanderson bought from the receivers the old wallpaper blocks, log books and pattern books, and began to block-print Morris' wallpapers by hand in the traditional way.

Some of these papers are available in machine-printed versions for those who are unable or unwilling to pay the high prices, but there is also like a high-quality hand-printed paper for true authenticity. Still available today is the paper shown above: Granville, designed by J. H. Dearler for Morris & Co in 1896. It comes in three different colourways (all, of course, the authentic J. H. Dearler colourways), but any other colourway could be ordered. Prices for handprinted papers are not cheap: Granville costs £151 per roll.

• TWO OF the great classic scents, both dating from the last century, both with the stamina and class to see off some of the more modish, brasher aristocrats. On the left is Guerlain's Jicky, created by Aime Guerlain, son of Guerlain's founder, Pierre-Francois-Pascal, in 1889.

• WITH A cheese drainer and jug, almost exactly like the pottery version shown here, the first creamy soft cheeses were made in Morvan in Burgundy.

This version costs £7.50 (well, you don't expect hats peasants wear to come cheap, do you?) from Herbert Johnson, 13 Old Burlington Street, London W1.

Basket-making is a grand old British craft and today there are still a few craftsmen making baskets the way they have

always been made. This flower basket is made in willow to a traditional design which dates back to Elizabethan times; it allows flowers to be laid flat so that the blooms don't crush. It comes from Suffolk and costs £28.95 from Heals, 196 Tottenham Court Road, London, W1.

• A CLASSIC heavy cast-iron doorstop made in the shape of a wheatsheaf, dates from the first major Victorian times.

Still pleasing to look at, this is just one of a series of authentic Victorian doorstop designs. £18.50 from The General Trading Company, 144 Sloane Street, London SW1.

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**CYNTHIA ASQUITH**  
by Nicola Beauman  
Hamish Hamilton  
£15.95, 376 pages

**LADY CYNTHIA ASQUITH**  
1915-1918  
Century Hutchinson.  
£5.95 (lump cover), 528 pages

**LADY CYNTHIA ASQUITH** Asquith is a biographer's dream. She is best known now for her marvellous diary of the Great War just reissued. Her contemporaries found her "inimitable and irresistible in face and character" (Lady Desborough) and she wrote with great style and wit. Mrs Beauman has had access to a hoard of unpublished diaries and letters, and the result, albeit the author's conclusions are controversial, is an absorbing story.

Born in 1887, Cynthia was the eldest daughter of Lord and Lady Elcho who are now rapidly dying with Muv and Farve as parents endearing and eccentric. She spent most of her early life at Stanway, that most beautiful of houses, she had a better than customary governess education, studying five languages, and reading deeply. As debutantes she shone; although shy, she could be high spirited and witty. Her looks were marvellous, with hair the colour of "burnt manna"; "huge grey-green eyes." Her beauty simply strikes one like a blow," wrote Alan Lascles in 1908.

In 1910 she married Bob Asquith, son of the Prime Minister. They had met in Dreden when she was 17, and like all children of the Souls, were mutually attracted. Bob, according to Margaret Asquith, had "a sweet gentle nature, and much originality"; but in adversity his courage crumpled.

During the Great War, Lady Cynthia wrote her diary (published in 1988). Her view was privileged, as daughter-in-law of the Prime Minister she was often at No. 10. Mr Asquith and Margaret gloriously tactless. The dramas of the war are tragedies; two of Cynthia's brothers, and virtually all her friends, were killed. But despite war, life went on. The diary is written with sympathy, poignancy, and humour, and as Mrs Beauman admits, it is a literary masterpiece.

After the war "a spark died in Cynthia." Bob was shell-shocked, listless and idle. Their eldest son was mentally disorientated, and after many doctors and much agony, Cynthia

**Jane Abdy on a lively lady who looked after J M Barrie**

## English rose



Cynthia before her marriage to Bob Asquith

placed him in an institution. They had little money, large debts; "all the time the under-current of financial terror."

The Asquiths had settled down as a semi-divided couple. Cynthia's face, whose lovely reflection she once used to gaze at in a spoon, became pinched and tragic, the face of someone who has seen despair.

In through the window flew a benefactor, J. M. Barrie. He offered Cynthia a job as his secretary; the hours were short from 11 to one, the pay tempting and subsequently very generous. She was now the breadwinner. Barrie fell in love with her in a sentimental sexless way, and wrote to her as "Darling Puss." He relied on her company immensely. Soon he rented Stanway every August (his presence there is visible in the postage stamps on the ceiling, which he threw on with a coin). Most important, Barrie encouraged Cynthia to write. When he died in 1937 he left her almost all his for-

tune, the handsome sum for those days of £30,000.

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To try to understand her subject better, the author has succumbed to a biographer's trap of which Lady Longford warns — "the analytic game, and letting it become too seductive."

For instance, she suggests that Cynthia was haunted by the fear that she might be the daughter of A. J. Balfour. Whatever the relationship between Lady Elcho and Balfour — and it is generally agreed to have been romantic, loving, but ultimately platonic — there can be no doubt about Cynthia's paternity; she looks as very much like Lord Elcho (even Wilfrid Blunt said so) and her resemblance to her Charteris nieces is startling.

Mrs Beauman also surmises that Cynthia surreptitiously read the correspondence between her mother and Balfour; it is most unlikely that even haphazard Lady Elcho would have locked these letters away and her daughter would have been far too honourable to pry into private papers.

Mrs Beauman has fought with her subject, chided her, even boxed her on the ears, but rarely does she allow her to dance, and only when the party is over.

When Bob died in 1948 Cynthia bought a flat in Queen's Gate Gardens. She wrote two enchanting volumes of memoirs, which are surely due for re-publication? She saw old and new friends, Lord David Cecil, L. P. Hartley, Julian Fane, and gave memorable dinner parties; she could have been a great hostess, like her mother. And into this Indian summer of content came a late love, Colin Brooks who made her very happy.

## Testament of a son

**FAMILY QUARTET: VERA BRITAIN AND HER FAMILY**  
by John Catlin. Hamish Hamilton. £12.95, 182 pages

THE PARENTS of the author of this book, sadly a posthumous one, were Vera Brittain and George Catlin; his sister, Mrs Shirley Catlin. George Catlin, his father, emerges as a man who would have achieved more in worldly terms if he had not had quite so many ideas on the ball at the same time. He failed to get the Oxford fellowship he first was due but remained an academic at heart. He was one of those British intellectuals, of whom there have been many since, who find their best appointments and conditions in America; Oxford's loss was Cornell's gain.

Catlin père became a great authority on Anglo-American relations, the friend and adviser of presidents. He was invited to head a committee to look into the effects of prohibition. It was his report that eventually led to its repeal. Hobbes was a main source of his political principles. When he was a young man of 28 with a book on the philosopher to his credit, Catlin sent copies to two women he admired, the poet Edna St Vincent Millay, much

fancied at the time by the likes of Scott Fitzgerald, Edmund Wilson and other Princetonians. He did not get very far with her.

The other recipient was Vera Brittain. She had been cruelly bereaved in the First World War of the man she was to marry and of a beloved brother. She had rebuilt her life after these traumas (they became the substance of books which later made her famous) and had gone to Oxford where she formed a firm friendship

with another Somervillian, Winifred Holby, with whom she was now sharing a house in London.

Both had literary ambitions and it was Winifred who was first off the mark in 1923 with *Anderby Wold*. It led *The Dark Tide*, Vera's first novel, by a year. Winifred's most successful book *South Riding* (later made into a film) appeared in 1936, a year after her death, and Vera's *The Testament of Youth* (later made into a TV series) in 1938.

Vera with John and Shirley

### Fiction

## Englishmen and caged birds

**THE STRANGERS' GALLERY**  
by Jonathan Keates. Hamish Hamilton. £10.95, 217 pages

**FROZEN MUSIC**  
by Francis King. Hutchinson.  
£7.95, 104 pages

**THE BIRDS HAVE ALSO GONE**  
by Yashar Kemal. Translated from the Turkish by Thilda Kemal. Collins/Harvill. £3.95, 122 pages

THE ENGLISHMAN in Italy has a special character, or rather two: his own (his obstinate Englishness), and his Italianly modified one. Edward Rivers, the 18-year-old hero of a remarkable first novel, *The Strangers' Gallery*, is very much the continental, having left England at seven and wandered with his parents ever since. In 1842 this such upper-class wandering is not eccentric.

This is a rich novel, many-layered and psychologically dense. The blurb suggests Stendhal for comparison (personal events against a large political canvas), but I was reminded more of Henry James in the gradual accumulation of

knowledge, often in seemingly unconnected events, in the sudden startling revelation, as if the truth had crept up in a game of grandmother's foot-steps.

Central is the life-style of provincial Italy at a politically explosive moment, before the country became a nation: town life except in summer, when, between specified dates, the top families go out to their villas much ceremony, a certain sense of opposition. Nothing much to do, heads to cool, therefore plots to hatch, a matrimonial or political: the order is quite unlike that of the English childhood. Edward vaguely recalls or the giddy doings of his parents and other expatriates like them. Will he return to Villarossa, will Maricla last in his heart and memories? Nothing is settled: we are left in the air. He is, after all, only 18.

This is an extraordinary feat of imaginative transference into another age and culture, a mole-like entry into the subterranean life of people living in a sense, on the social surface of things, in another sense wholly at one with their long roots, with the earth, with Italy.

The expatriate Englishman is

also the theme of *Frozen Music*, one of Hutchinson's novellas. In India this time. An elderly man who was there under the Raj returns to a country altered yet still familiar with his son who, like Edward Rivers, has vivid but deluding memories of his early years. The mother they watched dying is buried in a family legend had it, a cemetery of great peace and beauty, now so overgrown that it is almost impossible to find, let alone recognize. Gradually, what seems a leisurely but in fact is a short, fast-moving narrative, the gaps in the past are filled in: the mother's last love, now buried beside her, is remembered; the son and his father's young wife fall in love, the father, caught suddenly by illness, handing them over to each other. A strange postscript has three generations living together in what seems like tender acceptance of their odd situation. Under the socially ordinary, as in all Francis King's fiction, lurk surprises and shocks, and memory plays its tricks, bringing further posthumous surprises.

But it is more than a psychological story, a tale of personal

relations. India is its centre: British India overlaid by a later country that both echoes and distorts the past.

Metaphor has a large place in *The Birds Have Also Gone*, which uses birds to symbolise much else. In the old days people in Istanbul would buy caged birds outside their churches, mosques and synagogues, in order to free them and thus assure their places in paradise. The custom has now lapsed (or paradise no longer seems credible), yet a group of boys is still found catching hundreds of birds, cramping them into cages, holding for sales. Few are sold. Hungry and penniless, the boys eat the remainder. The narrator, who has befriended them and watched their progress, finds a mound of birds' heads, eye-less and ant-eaten.

A fable of modern life, of

lack of faith and the passing of

traditions, by Turkey's leading novelist. The Birds Have Also Gone has a sort of melancholy liveliness, at once rowdy, realistic and sad.

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**Douglas Jay on the career of a modern economic sage**

## Trade winds

**DON AND MANDARIN: MEMOIRS OF AN ECONOMIST**  
by Donald MacDougall. John Murray. £14.95, 276 pages

**BLESSED WITH** precision of mind, respect for fact, a deep interest in the practical and political opinions so unobtrusive as to be almost invisible, Sir Donald MacDougall has long been the very model of a modern top economist. As such, he has an absorbing story to tell of active life in a remarkable series of official and less official bodies from Downing Street in the war and after, the Department of Economic Affairs and the Treasury, to Oxford (mainly Wadham and Nuffield), the National Institute of Economic and Social Research, and finally the CBI.

His first hero was the controversial Lord Cherwell, "the Prof," who brought him with Roy Harrod from Oxford to Whitehall at the start of the war, and so to Downing Street, to give direct assistance to Churchill. His finest hour seems to have been the defeat, during the second phase of the Churchill regime, 1941-55, of the notorious "ROBOT" plan in early 1942 to move the economy to a pre-emptively convertible and re-block the sterling balances.

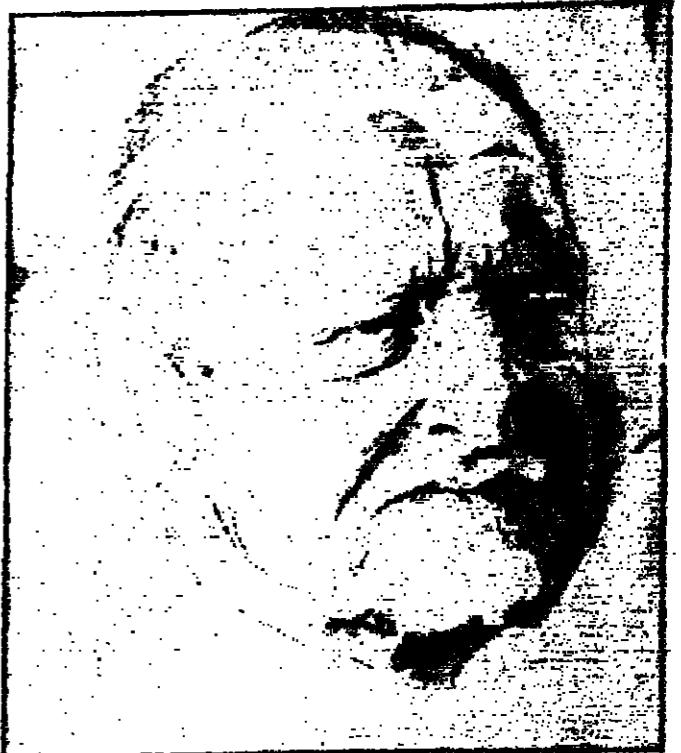
His record of this grotesque episode is particularly valuable. Conceived by the Bank of England, and sold somehow by the Bank to "Otto" (Sir Richard) Clarke and Leslie Rowan of the Treasury, and so to the Chancellor RAB Butler who seems to have had little or no idea of what the consequences would be, this was only narrowly averted after ferocious opposition from Cherwell, backed by Arthur Salter and MacDougall.

The Cabinet line-up, Sir Donald tells us, was virtually Oxford v Cambridge (with Oxford on the side of the angels). To those of us who knew the strict bureaucratic rule of law under Stafford Cripps, the subsequent Whitehall punch-up described by Sir Donald appears distinctly startling.

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Donald MacDougall: protégé of the Prof



A sketch by Sutherland for his portrait of Maugham  
**Harold Acton re-considers the long**

## Summings-up

**SOMERSET MAUGHAM: THE CRITICAL HERITAGE**  
edited by Anthony Curtis and John Whitehead. Routledge. £15.00, 272 pages

**IN SPITE** of the tangible and visible evidence of his worldly success Somerset Maugham used to complain that he was not taken seriously by the literary establishment. W. Somerset Maugham, *The Critical Heritage*, a discriminating compilation of articles and reviews about Maugham since the publication of *Liza of Lambeth* in 1897, refutes this with a few well-aimed jabs.

As an economist, Sir Donald remains a firm believer in a multilateral trade system international, but also in demand management and high employment as objectives, and some consensus between management and organized labour for which he worked strenuously on Neddy and the CBI. He clearly thinks it was only narrowly averted after ferocious opposition from Cherwell, backed by Arthur Salter and MacDougall.

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From the moment that my parents got married they established a sort of ménage à trois with Winifred Holby which lasted for the best part of ten years. While these arrangements caused some to be scandalised and others to regard both my parents as for more avant-garde than they were in fact, they were in fact extremely practical.

When she married George Catlin in 1925 Vera had no plans to abandon Winifred nor to be a campus wife in the United States. As John Catlin puts it:

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Max Loppert reports on opera from the Edinburgh Festival

## The Finns come forth

THE MOST important and substantial—one should properly add that to the only important and substantial—opera contribution to the 1987 Edinburgh Festival programme has been given for its final days. Londoners remember, from the Finnish National Opera from their 1979 *Stabat Mater*, Wells' visit, recalling with particular admiration the sense of naked urgency and communicative directness, the spirit of true ensemble opera, that was sourced through performances of operas by Kokkonen (*The Last Temptations*) and Sallinen (*The Red Line*).

At Edinburgh the Helsinki company is undertaking the possibly even more valuable service of introducing a British audience to Aarre Merikanto's *Jukka*—a work of the 1920s never performed in its day, only to be revealed, in the late 1950s, after the composer's death, as probably the finest opera to have come out of Scandinavia in the 20th century so far. (A notice of the Edinburgh *Jukka* must wait until next year.) But in tandem with it they have brought not one of the other choice attractions from their famously adventurous repertoire, not another Finnish opera (Pavo

Heinonen's *Domestic Drum*, say, about which fascinating reports have been received)—but *Rigoletto*.

Similarly, the National Ballet of Finland, which shares the week's occupancy of the King's Theatre, is offering only *The Nutcracker*. Rumours of the pressure exerted by Edinburgh on the companies to "appeal" their schedules in this way were buzzing around the foyer before Wednesday's opening *Rigoletto*.

This was disappointing. So, in truth, was the Finnish Verdi itself. It was by no means unbearably bad; but it gave few hints of those traits and qualities which, both in London and during my own visit to Helsinki, made the company as representative of the company at its best. For one thing, it was given in moderate-to-poor Italian, when only a single cast member, the Sicilian Pietro Ballò as the Duke, could fully have benefited from the decision (most of the Finnish National repertory is played in the vernacular). More to the point, the production and musical reading were workaday. One would be glad enough to catch them on a Helsinki stopover; one was forced to question the

rightness of their inclusion in an international festival.

Jussi Tapio's staging added up to something rather like a Colin Graham show at Sadler's Wells in the late 1960s or early 70s. No offence meant; but the combination of heavy stone textures, open-plan setting (a very disadvantageous single set), and touches of "psychological" character-detailing that we witnessed here has been overtaken—for good or ill—by much more extreme British experiments with *Rigoletto*. The problem now with conventional productions of this kind is that only universal commitment and conviction will bring them to life—and of those things there was not much evidence.

Eri Klas, chief conductor of the Stockholm Royal Opera, led a rigid, hard-driving account of a shamefully snipped score; he was often distressingly insensitive to the needs of his singers. Minor parts, Jaakko Ryhinen's Sparafucile apart, tended to coarseness. Ballò's clear, well-tuned lyric tenor was delivered mostly loud and plain; he is no actor. A very young and tiny mainland Chinese soprano called Dilber sang Gilda with

pearly delicacy, gracing every curve with care, never forcing beyond her limits. She was touching in spite of, at times almost because of, an emotional inexpressiveness that restricted the fact to a sweet smile or an anxious frown, the movement to a butterfly flutter. A Jane Powell or Deanna Durbin *Gilda* would surely have been on these lines.

The single redeeming feature of the evening was Jorma Hynninen in the title role. He is both Finnish National Opera artistic director and currently the country's leading singer, a *baryton noble* of outstanding quality; he is not, I believe, a born *Rigoletto*. A touch of quiet introversion in his stage persona, a sense of artistry natural and unexaggerated, render him unforgettable in the leading role of *The Red Line*; these very virtues somewhat limit the character as his jester—whose downfall is, after all, directly the consequence of his supreme exaggerating skills. The beautiful voice suffered tired, below-the-note passages in Act 2. All the same, in his performance developed any emotional energy at all, it was almost entirely his doing.



Jorma Hynninen and Dilber in Rigoletto

Martin Hoyle hits upon some unknown theatre groups performing on the Fringe

## Firbankian frolics

this makes the Fringe worth while.



and chased (or chase) turreens. Especially Firbankian are Truby Harrison, with her pre-Raphaelite frizz, as Sarah, and Victor Vertumnus. At least, that's what the programme calls them. They sound like more Firbankish characters to me. The production, in London at the Coopers' Theatre Club, near Tower Bridge, next month. An elliptical, elegantly judged adaptation.

One of the Festival's perennial standbys is *Woyzeck*, Büchner's fragmented anatomising of social oppressiveness

Fringe? The Traverse is such an established part of Edinburgh's cultural life that only its inverted snobbery can be responsible for its holding back from becoming a more official festival in these populist Dunlop days, especially when the National Theatre sends a production to the Traverse a season of new writing, already referred to by Michael Coveney in these pages.

This lends an edge to the mutually incomprehensible love scene between Marie and the Drum Major. The latter's loud-mouthed drunkenness before a crowd of cowed locals gains from Cullen Zimmerman's adoption of Clint Eastwood vocal patterns, not to mention his faint Eastwood looks. Only the Doctor, here a dotty woman, seems slightly overplayed, a grotesque from *Caligari*.

At Richard Demarco's Gallery Theatre in Blackfriars Street, a grim, faintly absurd fable is enacted in a black box of a room, the floor strewn with rubbish and the setting dominated by an electric chair. The courteous guard exchanges the banalities of small talk with the condemned man, solicitously asking whether his bonds are too tight: "I want you to relax. My name is Willi . . . Hi!" There follows torture by hope, after the manner of Dallapiccola's opera *Il Prigioniero*, as the executioner reveals he knows the identity of the real murderer for whose crime Jimi is to die. Or does he? Game answer: Willi regards his charge's graceless attitude ("Are you avoiding me?") as the pinched man snappishly and occasionally throws the switch to keep the prisoner, metaphorically, on his toes. *Mein Amerika* is a compulsive little *comédie noire* by Matthew Weiss who plays Willi to the agonised and ultimately apathetic Jimi of John Wills Martin.

When is the Fringe not the

## 'Theatre Recital'

THERE WAS a time when "music-theatre" was eagerly proposed as the form/medium genre which would supplant opera. Then came a time in which it was discovered that nobody knew what it was, exactly. We've settled for counting anything that requires performance-elements beyond mere singing and playing as "music-theatre".

In the current South Bank festival, Harrison Birtwistle's own music is complemented by music chosen (or at least not rejected) by him. His own music-theatre double bill, which I reviewed earlier this week, is answered by a "theatre recital" of pieces by three other composers.

Both parts of the Birtwistle evening are ensemble pieces, evinced with vivid precision by National Theatre players. The non-Birtwistle evening is altogether different, comprising two modern monodramas (rather too similar) and a staging of Monteverdi's *Il Combattimento di Tancredi e Clorinda*, the mortal combat being between the Courier Tancredi and his unrecognised beloved Ingrid, the Syrian princess Clorinda in drag. Most of the music goes to the Narrator (the excellent Nigel Robson), while the visored lovers hach away at each other. Maybe it is salutary to be reminded that one-to-one combat was a matter of brutal hacking, as represented bravely by Geoffrey Doigton and

David Murray

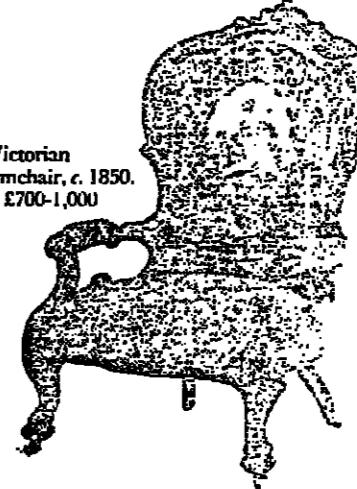
## Koopman's Prom

IF ONE had eventually been forced to accept the absurdity of the basic premise—listening to intimate 18th-century "chamber" music played by a tiny band of authentic instruments in the vast 19th-century resonance of the Albert Hall—then Thursday's Prom might have been as invigorating, and even an illustration of the concept. As we found the performances by the Amsterdam Baroque Orchestra, directed from the harpsichord by Ton Koopman, at the same time remarkably accomplished and profoundly frustrating.

It was a brilliant coup de théâtre of the Amsterdam Orchestra to open their programme with Jean-François Rebel's overture *Les Éléments*: that enormous ear-shaking symbolic representation of *Chaos* in whose opening measures—in the confusion of harmony, all the notes of the octave united in a single sound—the nearest the 18th-century could get (and wonderfully effective the dramatic gesture is). to

Dominic Gill

## An auction where you can even afford the time.



A good Victorian walnut armchair, c. 1850. Estimate: £700-1,000

## Radio

### Rum cake-talk

NOTHING SUITS a Radio 4 half-hour so well as a visit to a friendly community. On Saturday we went to the Children's Carnival at Castle Carrock in Cumbria, setting off a series called *The Village*. We heard the speeches and talked to some of the locals, especially the old folk. It was very jolly and informative.

For family we had half an hour in One Front Door at Swithland, a suburb of Rockdale. A children's party again, but with a significant difference: in Spark half the people are Asians, who came to work the unpopular shifts at the mills (now closed). There were interesting difficulties in getting the natives and the Asians to mix. At the Community Centre the Asians have no hide for dances or a bar; the Asian girls won't go because boys go; Asian women generally stay at home.

Then there was *On the Big Day*, the Gooseberry Show at Eton Bridge, also on Saturday; and for those who like more action with their community via the BBC's home-designed community at Ambridge.

A rum play this week on Radio 4, Guy Jenkins' *An Imaginary Friend*. Thirteen-year-old Mary thinks she is accompanied by Peter, incomparable to everyone else but very to the dismay of her Roman Catholic family, she becomes pregnant, it is not Peter she names as the father. It is God. Moreover she has seen an archangel, who has said she will give birth to Jesus for the second coming. Much of

Martin Taylor: Tribute to Art Tatum. Hep 2032.

Bill Evans and Jim Hall: Undercurrent. Memoir Moir 504.

Spice Robinson with the Eddie Thompson Trio: At Chesters. Vol 2.

The Mel Lewis Orchestra: 20 Years at the Village Vanguard. Atlantic 781-655-1.

The NatWest Jazz Band: You Can Bank On. NWJB 3.

## Records

### Jazz mystique mistaken

amples of the latter, where quotes from other songs enliven his densely structured runs.

October is National Jazz Month in Britain. An ambitious programme covering England, Scotland and Wales aims not only to concentrate, under one large umbrella, numerous concerts, tours, seminars, education events together with national radio and television coverage, but intends also to increase an awareness of jazz among the general public and not only through its entertainment: it has an attitude towards the religious teaching of children such as we saw in *Once a Cathole*.

Most pop music fans neither know nor reflect too deeply on the origins of their enthusiasm, while other people harbour gross misconceptions about jazz.

If Britain's first-ever jazz month does nothing else but remove some of the mystique and misunderstandings surrounding jazz, such as its unapproachability and incomprehensibility, then it will have succeeded.

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Similarly, refined and delicious playing comes from another guitarist, Jim Hall, a style and generation far removed from Taylor, and pianist Bill Evans, one of the noble princes of the piano. On six tracks on the deservedly reissued LP they made together in 1959, Hall and Evans express with understatement the beauty and eloquence that can be found in jazz. Three of the compositions are "familiar standards" — "My Funny Valentine," — "Darn that Dream" and "I Hear a Rhapsody" — and all are executed with irresistible gentleness and poise. On "Valentine," Hall plays the first two choruses with Evans' "competing" (i.e. filling in with rhythmic punctuation and syncopation) behind him. Then Hall does the same behind Evans. The genuine empathy between the two musicians is manifest throughout the LP. Both are masters of nuance and subtlety, and they react to each other with respect and admiration, never jostling like arrogant giants. Hall and Evans, both masters of their respective instruments, produce sublime sounds decorously.

guard in New York. Tours abroad and records helped spread its reputation internationally. Then he decided to live in Europe. Lewis focused on running the band with continued success and so it is sad that the album celebrating the band's 20th anniversary should fail to be a signal triumph mainly because of Lewis's own strangely stodgy drumming which seems to have induced an unrelaxed atmosphere into this rather stiff studio recording.

As usual the programme is a mixture of familiar standards has some unusual orchestral all interestingly arranged, full line-up which included two bass trombones, french horn plus permutations of saxophones, clarinets and flutes. "All of Me" has some unusual orchestral voicings and is probably the most satisfying track. But Ellington's "C Jam Blues," a guaranteed swinger, has no luster and plods along without sparkle.

Bill Evans' sounds of a far different style emanate from the nine-piece (plus singer or rather crooner) outfit of my friendly Action Band whose latest album consolidates the reputation made by its earlier ones. Once again a bunch of bank men, who play for fun and raise a lot of money for charity along the way, provide a diverse selection of happy jazz from "Sweet Sue" to "Birth of the Blues". This time well-known professionals, Keith Nichols occupies the piano chair and guest Humphrey Lyttelton on track "I've Found a New Baby". The tunes have been given a touch of style through the arrangements of musical director Seth Murch who plays amazingly respectable clarinet, alto and soprano.

All the proceeds of the NatWest Jazz Band's third album go to the Save the Children Fund and for that alone it should be purchased. As the record's producer so succinctly put it to me: "Incite all your jazz-inclined financial wizards and would-be wizard readers to spare £5 of hair from the ragging bull for the Fund!"

Kevin Henriques

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